



RESIDENTIAL AND COMMERCIAL MARKET ANALYSIS

FOR

THE SIMPSON ROAD REDEVELOPMENT PLAN



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SUMMARY

The primary conclusion of the market analysis is that there is an existing and growing level of potential market support for residential, retail and office-industrial space along the Simpson Road Corridor. The following table summarizes the level of potential demand for residential, retail and office-industrial uses and identifies redevelopment considerations including key target markets.

	SUMMARY OF POTENTIAL DEMAND FOR RESIDENTIAL, RETAIL AND OFFICE-INDUSTRIAL USES		
	Residential	Retail	Office-Industrial
Estimated 2006-2016 Potential Demand	1,487 For-Sale Units 3,001 Renter Units (20% or 898 affordable)	264,546 Square Feet	60,000-80,000 Square Feet
Strengths/ Opportunities	<ul style="list-style-type: none"> • Access to downtown and the Interstate • Relatively affordable land prices for intown location • Established communities bordering the Study Area • Successful large-scale for-sale and rental projects have been completed within a short drive of the Study Area 	<ul style="list-style-type: none"> • Handful of well-maintained convenience retail centers • Existing undersupply of retail uses suggest immediate demand for retail space • Multiple target markets • Nearby retail development: Historic Westside Village, Upper Westside, Atlantic Station 	<ul style="list-style-type: none"> • Access to MARTA, downtown and the Interstate system • Adjacent to World Congress Center • Potential for office development in mixed-use setting
Issues/ Challenges	<ul style="list-style-type: none"> • Reality and perception of crime • Abundance of rental • Abandoned apartment buildings • Blighted communities bordering the Study Area 	<ul style="list-style-type: none"> • Aesthetics • Boarded-up, marginal retail • Existing retail limited to neighborhood-serving businesses 	<ul style="list-style-type: none"> • Abundance of nearby, inexpensive and more accessible space limits industrial opportunities • Industrial uses in nearby areas (e.g., Upper Westside) are being replaced with other uses • Unproven office market
Target Markets	<ul style="list-style-type: none"> • Entry-Level Professionals For-Sale Units: \$150,000-\$230,000 Renter Units: \$800-\$1,000 • Higher-Level Professionals For-Sale Units: \$240,000+ Renter Units: \$1,100-\$1,400 • Empty Nesters/Retirees For-Sale Units: \$200,000+ Renter Units: \$950-\$1,200 • Parents/Students For-Sale Units: \$150,000-\$280,000 Renter Units: \$750-\$1,200 • Creative/Professionals For-Sale Units: \$150,000+ Renter Units: \$900+ • Workforce Housing Attractive, affordably priced for-sale and rental should be incorporated in the housing program 	<ul style="list-style-type: none"> • Community Residents Almost than 73,000 people live within the one-mile area buffering the Study Area • Area Residents More than 273,000 people live within five miles of the center of the Study Area • Employees Roughly 9,712 people work within two miles from the center of the Study Area; more than 72,000 work within three miles • Students Approximately 25,000 students attend nearby Atlanta University Center and Georgia Tech 	<ul style="list-style-type: none"> • Small-Scale Light-Industrial Market: convention-visitor industry and downtown businesses • Neighborhood Serving Office Market: medical, dental, legal, insurance and other consumer-oriented users

Five Redevelopment Nodes have been defined along the Simpson Road Corridor: West Lake, Chappell/Beltline, Lowery, New Jersey Avenue and Anderson Avenue. The following table outlines development opportunities within each of the Redevelopment Nodes as well as the adjacent (i.e., "remaining") area.

		Potential Function	Development Potential
Redevelopment Nodes	West Lake	Lower density housing with a handful of retail and offices uses	<ul style="list-style-type: none"> • 25,000 Square Feet of Neighborhood Serving Retail • Up to 10,000 Square Feet of Professional/Office Space • 100 Housing Units (Single Family and Townhomes)
	Chappell/Beltline	Commercial center of the Study Area with a variety of destination retail and entertainment options, housing and office space	<ul style="list-style-type: none"> • 100,000 Square Feet of Destination Retail/Restaurant/Entertainment • 30,000 Square Feet of Professional/Office Space • 2,500 Housing Units (Predominantly Multifamily with a Limited Number of Townhomes and Single Family)
	Lowery	Community gateway with neighborhood-serving retail as well as destination retail/entertainment, housing and office space	<ul style="list-style-type: none"> • 50,000 Square Feet of Neighborhood Serving Retail and Entertainment/Restaurants • 20,000 Square Feet of Professional/Office Space • 300 Housing Units (Predominantly Multifamily and Townhomes)
	New Jersey Avenue	Residential area with limited neighborhood serving retail	<ul style="list-style-type: none"> • 11,000 Square Feet of Neighborhood Serving Retail • 50 Housing Units (Townhomes, Live/Work)
	Anderson Avenue	Residential area with limited neighborhood serving retail	<ul style="list-style-type: none"> • 19,000 Square Feet of Neighborhood Serving Retail • 50 Housing Units (Townhomes, Live/Work)
	Remaining Area	A mix of neighborhoods and commercial areas	<ul style="list-style-type: none"> • 60,000 Square Feet of Retail • 1,500 Housing Units (Multifamily, Townhomes, Single Family, Live/Work) • Up to 20,000 Square Feet of Professional/Office Space

FRAMEWORK

Marketek, Inc. was retained by Caram & Associates to perform the market analysis portion of the Simpson Road Redevelopment Plan Update being conducted on behalf of the City of Atlanta Bureau of Planning. The primary objective of the market analysis is to determine the potential market depth for new residential, retail and office-industrial space in the Simpson Road Study Area and determine how this potential could be most realistically achieved. The following tasks were performed as part of this effort:

- *Study Area Assessment:* The Study Area's current position in the marketplace is assessed not only in terms the quality and level of existing supply but also how the area relates to competitive markets. The assessment includes an issues/challenges/opportunities analysis of each of the three defined Redevelopment Nodes.
- *Demographic and Economic Profile:* Analysis of demographic and economic trends within the Study Area as well as larger geographic areas from which customers and new residents will potentially emanate. Characteristics analyzed include population/household growth, age, income, race, market segmentation data and employment.
- *Market Analysis:* Analysis of the competitive supply of residential, retail and office-industrial uses, including occupancies, lease rates/sales prices, absorptions and overall quality. Potential market support for residential, retail and office development is provided, phased over a 10-year period.
- *Development Focus:* Based on the findings of the Market Analysis, redevelopment considerations for residential, retail and office-industrial uses are provided with an emphasis on the three Redevelopment Nodes. The Identification and characterization of key target markets and "next-steps" are outlined.

While redevelopment activity throughout the Study Area will be phased over time, the market analysis is focused on the ten-year time period 2006-2016, a realistic projection period for redevelopment. The results of this study are based on the following:

- Site visits conducted by Marketek, Inc.;
- Analysis of secondary data;
- Findings from the previous studies including the recently completed *Analysis of Incentives to Encourage Investment in Underserved Areas*;
- Community workshops;
- Input from Study Area residents, public officials, real estate professionals and Study Area business owners;
- Statistical analysis;
- Survey research; and
- The professional and technical expertise of Marketek, Inc.

In addition to existing Study Area residents, residents from outside of the community will also play a key role in supporting new housing, retail and office-industrial space on Simpson Road. Accordingly, several areas of evaluation are defined to provide insight into the characteristics of key markets. A summary of each is provided in the following table:

	Boundaries	Market Relevance
Study Area	Study Area boundaries	Residents living within the Study Area are an immediate market for new development.
Redevelopment Node Areas	One-half mile radius from the identifying node intersection (Map 1)	Redevelopment Node activity will be partially supported by residents living within a short walk.
Corridor Neighborhood Area	One-mile buffer around the Corridor (Map 2)	Residents living within a short drive or walk from the Study Area are a key market, especially for convenience goods/services.
Retail Market Area	Five-mile radius from the approximate center of the Study Area (West Lake Avenue at Simpson) (Map 3)	New Study Area retail businesses have the potential to draw a majority of their customers from a five-mile area.
Residential Market Area	Ten-mile radius from the approximate center of the Study Area (West Lake Avenue at Simpson) (Map 3)	New housing developed in the Study Area has the potential to draw homebuyers and renters from a ten-mile area.

STUDY AREA PROFILE

Simpson Road originates immediately west of the Atlanta Central Business District, extending roughly four miles between Northside Drive to Hightower Road. Suffering from years of disinvestment, the Simpson Road Corridor is currently overrun with vacant, unkempt lots, marginal retail uses and apartment communities, some of which are abandoned. The character of neighborhoods adjoining the Study Area vary, ranging from communities faced with crime, substandard housing and poverty to more established, well maintained neighborhoods inhabited by long time and committed residents.

Interestingly, Simpson Road lies in the shadow of renowned institutions/attractions and intown redevelopment initiatives. The eastern end of Simpson Road abuts one of the state's premier conference facilities (The Georgia World Congress Center) and is a stone throw from the Georgia Dome, Georgia Aquarium and Centennial Olympic Park; less than a mile south from Simpson Road sits Atlanta University; and to the north redevelopment throughout Atlanta's Upper Westside district continues to thrive. While Simpson Road has not yet been able to capitalize on these potentially catalytic projects, access to downtown/MARTA/I-285/I-75/I-85, relatively affordable but increasing land prices and clear market voids are just some of the indicators of the area's potential. However, real and perceived crime, the overall appearance of the community and difficulty in assembling smaller lots owned by multiple parties are just a few of the redevelopment obstacles facing the Study Area.

Simpson Road was one of 10 Study Areas evaluated in a recent study conducted on behalf of the Atlanta Development Authority, *Analysis of Incentives to Encourage Investment in Underserved Areas*. The study is intended to identify areas best suited to utilize alternative economic development tools (e.g., Tax Allocation Districts, Urban Enterprise Zones, Opportunity Zones) in traditionally underserved communities. Among the three sub-areas evaluated for Simpson Road¹ (H.E. Holmes, West Lake and Anderson), only West Lake was identified as having mid term redevelopment potential with a "medium to high" ranking. Factors that contributed to West Lake's moderately strong ranking include: high homeownership rates, development readiness, vehicular and transit access and consumer expenditure potential. Over the next 10 years, the study estimates that the West Lake sub-area could support 89,000 square feet of new multifamily and townhouse development.

Similar to the Atlanta Development Authority report, three "Redevelopment Nodes" have been identified for this research as the areas for which redevelopment potential within the Study Area is highest. They include the intersections of Simpson Road and West Lake Avenue, Chappell Road/Beltline and Joseph E Lowery Boulevard. The following table summarizes the Redevelopment Nodes, providing existing issues and challenges facing each of the nodes as well as potential opportunities/assets upon which to build.

¹ While six sub-areas were identified for the Simpson Road Corridor, the Beltline, Elm and Lowery sub-areas were excluded from evaluation as they are located in existing Tax Allocation Districts.

	Redevelopment Node		
	West Lake	Chappell/Beltline	Lowery
General Description	Aging retail and multifamily along Simpson and single-family homes along West Lake	Older, neighborhood-serving retail and restaurant space with several aging apartment complexes	Several small retail centers; residential dominated by older apartment complexes with few single family homes
Issues/Challenges	<ul style="list-style-type: none"> Abandoned retail and multifamily developments Empty lots 	<ul style="list-style-type: none"> Multifamily housing in disrepair Retail centers in need of rehabilitation 	<ul style="list-style-type: none"> Retail space in need of rehabilitation Boarded-up buildings Empty lots
Opportunities/Assets	<ul style="list-style-type: none"> Small, new retail center Large churches in area Nice homes 	<ul style="list-style-type: none"> Some new single family infill housing Convenience retail Access to proposed Beltline 	<ul style="list-style-type: none"> Family Dollar retail center with restaurants Nice church Access to Northside Drive Short walk to Ashby MARTA station

DEMOGRAPHIC AND ECONOMIC ASSESSMENT

The demographic characteristics of households key to the redevelopment of the Study Area – existing community residents² as well as Retail and Residential Market Area residents – are provided in this section. Retail and Residential Market Areas are the geographic areas from which the large majority of potential retail customers and residents of new housing emanate and are based on drive time estimates, geographic and man-made boundaries and the location of existing competitive supply. The Retail Market Area is delineated by a five-mile radius from the intersection of Simpson Road and West Lake Avenue, the approximate center of the Study Area. The Residential Market Area is defined by a larger ten-mile area. Demographic and economic trends are analyzed for the 1990-2011 timeframe.

Population/Household Growth, Age, Income and Race

The 2006 Study Area population is estimated at 3,068, almost unchanged from 3,032 in 1990 (Exhibit 1). There are an estimated 1,153 households in the Study Area with an average household size of 2.55 persons (Exhibit 2). Study Area population growth has been virtually stagnant since 1990, a trend that will likely reverse as redevelopment initiatives take hold. The Study Area population is generally characterized as having younger, predominantly African American residents, many with below average incomes (Exhibit 3). In 2005, an estimated 856 Study Area residents age 16 and older were employed, primarily working in service (32%) and administrative support (17%) occupations.

Existing residents living within close proximity of the three Redevelopment Nodes represent a key market for new development – particularly in the initial redevelopment phase. Exhibit 3 shows that between 5,125 (Lowery) and 5,564 (West Lake) persons live within the Redevelopment Node Areas, defined by a half-mile radius of the identifying intersection. Similar to the Study Area, residents within the three Redevelopment Node Areas have below average incomes and are predominantly African American. Residents living within close proximity to the James E. Lowery node are comparatively older than those living close to the West Lake and Chappell/Beltline nodes.

The Simpson Road Corridor is surrounded by several established neighborhoods, supported by the fact that 72,620 people or 23,605 households live within one-mile of the Corridor (“Corridor Neighborhood Area”). Relative to the Study Area, Corridor Neighborhood Residents are younger, slightly more affluent and more racially diverse. Both areas have few Hispanic residents (Exhibits 3 to 6).

Within the Retail and Residential Market Areas, population and household growth between 1990 and 2006 has been mixed, with population growth below citywide levels in the Retail Market Area (0.57% annually compared to 0.73%, respectively) and moderately strong growth in the larger Residential Market Area (1.14%). Median age in both areas is only slightly below citywide and MSA levels but above Study Area and Corridor Neighborhood Area levels. In terms of income, Residential Market Area households are generally more affluent than Retail

² Existing community residents include Study Area, Corridor Neighborhood Area and Redevelopment Node Area residents.

Market Area residents with estimated median incomes at 105% and 93% of the national median, respectively. Household median incomes in both areas, however, are below the MSA median of \$64,794. While relative to the Study Area there is more racial diversity in the Retail and Residential Market Areas, a majority of residents are African American.

Tapestry Market Segments

Recognizing that people who share the same demographic characteristics may have widely divergent desires and preferences, Community Tapestry data (developed by ESRI Business Information Solutions for 2006) categorizes neighborhoods throughout the nation into 65 consumer groups or market segments. Neighborhoods are geographically defined by census blocks, which are analyzed and sorted by a variety of demographic and socioeconomic characteristics as well as other determinants of consumer behavior. Based on this information, neighborhoods are classified as one of 65 market segments.

Existing households within and close to the Study Area (Study Area, Corridor Neighborhood Area, Redevelopment Node Areas) as well as the Retail and Residential Market Areas households have been grouped into Community Tapestry market segments. Primary market segments within these geographic areas are shown in Exhibits 6 and 7 and summarized in Exhibit 8. While the characteristics of each market segment vary, households within and close to the Study Area are urban oriented, many with low to moderate incomes. Age groups are a mix of older residents (e.g., *Social Security Set*), families with young children (e.g., *Family Foundations*, *City Commons*) and those just starting out on their own (e.g., *Metro Renters*). While restricted incomes generally limit purchases to necessities, expenditures often include children's clothes/products, trendy apparel and fast food.

Moving beyond of the Study Area, market segments within the Retail and Residential Market Areas are more affluent, particularly in the further out Residential Market Area. *Metro Renters* are the top group in both areas, which is comprised of young, active, upwardly mobile professionals. Core expenditures among the top market segments in the Retail Market Area include infant/children's products and clothing, entertainment (movies, live-music, dancing) and trendy clothing. In terms of housing preferences, primary Residential Market Area tapestry groups favor rental but there are also those who prefer ownership in established communities. Young, upwardly mobile young professionals (who are well represented in the Residential Market Area) would be an immediate target market for reasonably priced housing in a mixed-use setting.

Employment

The Selig Center of the University of Georgia predicts that job growth in the Atlanta MSA will remain sluggish in 2006, increasing 1.8% or by 41,000 jobs. Strong in-migration and civic leadership are expected to help soften the impact of recent buyouts and bankruptcies among some of the region's leading employers (e.g., Delta Airlines, Georgia Pacific, etc.). The Atlanta MSA remains an excellent choice for businesses to locate due to Hartsfield International Airport (the second busiest passenger airport in the world), a large pool of educated and talented workers, a diversified economy, several renowned academic institutions, continued, albeit slower, population growth and an excellent transportation system (e.g., interstate system, rail, transit, etc.).

According to the Atlanta Chamber of Commerce, there are eight businesses located in the Zip Codes immediately surrounding the Study Area (30313, 30314 and 30318) that employ more than 250 workers: Coca-Cola Company, Turner Entertainment, Cartoon Network, Custom Services, Inc., HJR Russell, Inland Seafood, Norfolk Southern and Pepsi Bottling. Downtown Atlanta anchors the eastern end of the Study Area and is one of the region's largest employment centers with approximately 137,000 employees. Directly east of the Study Area sits the Georgia World Congress Center, Georgia Dome and AmericasMart, all of which support downtown's convention/visitor industry. Furthermore, Simpson Road is within a short drive of well-established industrial areas (Chattahoochee Industrial District and the Fulton Industrial District).

Based on business permits issued by the City of Atlanta, there are 206 businesses operating within the Study Area (Exhibit 9). A large share of Study Area businesses are convenience related: 17% grocery, 13% health/personal care and 11% restaurants. Professional service businesses comprise 17% of total businesses, followed by consumer services (14%).

Employment close to the Study Area (i.e., within a one-, two- and three-mile radius, delineated in Map 4) is dominated by the service, government and retail trade sectors. Exhibit 10 shows that as of 2006, 1,800 people work within one mile from the intersection on Simpson Road and West Lake Avenue; more than 9,700 people work within two miles; and more than 72,000 work within three miles. Nearby employees are a valuable market for new retail and housing development. While the ratio of daytime/nighttime population is consistently low in the one-, two- and three-mile areas (demonstrating a stronger residential than commercial base), the ratio increases moving away from the Study Area.

RESIDENTIAL MARKET

Market Assessment

The Atlanta housing market is poised for continued, albeit moderate, growth in 2006. Unlike many rapidly growing areas throughout the nation that are now beginning to see a “bubble effect,” the Atlanta housing market has progressed at a healthy and relatively restrained pace. The development community remains generally optimistic about the local housing market – particularly in intown areas that offer shorter commutes – despite slowing job growth and anticipated interest rates hikes.

Although there are only an estimated 1,153 occupied housing units within the Study Area, there are almost 24,000 occupied units within one-mile indicating a sizable surrounding neighborhood base (Exhibits 11 and 12). One of the issues facing the redevelopment of the Study Area is the level of blight in some of the neighboring areas. One-quarter of the Study Area’s housing stock is vacant; an estimated 14% of housing units in the Corridor Neighborhood Area are vacant. Within the City, Residential Market Area and MSA the share of vacant units is considerably less: 10%, 8% and 6%, respectively. Median housing values within and close to the Study Area are approximately one-half of City, Market Area and MSA levels. Almost one-half of Study Area and Corridor Neighborhood Area households have annual incomes less than \$25,000. Ownership rates are also lower within and close to the Study Area: roughly one-third of all occupied units. Despite indications of blight in and around the Study Area, there are attractive, established communities that are commanding sales prices in the \$200,000s and higher.

Sales data for the past six years reveal that the area housing market is divided with stronger development activity and higher sales prices to the north of Simpson Road (Exhibits 13 to 19). From 1999 through 2004, the median sales price of new and existing homes within the 30314 and 30318 Zip Codes³ increased, but at a faster pace within the 30318 Zip Code (the area to the north of the Study Area): increasing \$64,700 to \$69,000 in 30314 and \$100,000 to \$196,000 in 30318. Not surprising, new home sale prices were higher than existing home prices in both Zip Codes during this period, more than three times the amount in the 30314 Zip Code in 2004. In terms of new home sales activity from 1999 through 2004, sales increased significantly in the 30318 Zip Code and only moderately in 30314. Large-scale residential projects (i.e., West Highlands, Adams Crossing and Dupont Circle), the emergence of the Upper Westside district and the success of nearby Atlantic Station have no doubt contributed to stronger new home sales activity in the 30318 Zip Code. Sales activity among all homes during this time period has remained fairly stable in both Zip Codes.

Competitive For-Sale Market

Sales data for 2005 shows a continuation of these trends. In 2005, a total of 186 homes listed with the Multiple Listing Service sold in the 30314 Zip Code for an average price of \$101,569; 570 homes sold in the 30318 Zip code for an average price of \$259,971. Citywide, the median sale price in 2005 was \$391,773. Similar to

³ The Study Area lies in the 30314 and 30318 Zip Codes, the boundaries of which are shown in Map 5. Generally, 30314 includes much of the Study Area, running south to I-20; 30318 includes a small portion of the Study Area, with a majority of the area located to the north of Simpson Road.

the 1999 to 2004 period, new home sales were concentrated in the 30318 Zip Code, where the average price of homes built between 2002 and 2005 reached \$352,604 compared to \$284,742 in the 30314 Zip Code and \$549,081 citywide. The average days on the market in the 30314 and 30318 Zip Codes were in line with the City: 60 and 72 days, respectively, compared to 69 days citywide.

Exhibit 20 provides a summary of sales activity at newly developed communities within and surrounding the Study Area. Washington Heights is underway at Mayson Turner Road near Washington Park. The 11 single-family detached units are by JLW Homes, a builder that typically builds on a small number of lots in neighborhoods close to downtown. The homes range from \$245,000 to \$265,000 and are from 2,000 to 2,200 square feet. Only three units have been sold since sales began in the fall of 2005 (less than one per month).

A new three-bedroom/three bath residential development, Laurel Townhomes, is underway on Westview Drive at Wellington Street. The 13 units are 1,700 square feet and range from \$184,000 to \$190,900. The units are selling at an average rate of two per month.

Collier Pointe, a townhome development located near the H.E. Holmes MARTA station, is in the final stages of build-out. The 198-unit two- and three-bedroom units have sold at an average rate of 3.6 units per month. Further north on the Westside of Atlanta, West Highlands, M West and the mega mixed-use Atlantic Station have had strong absorptions of residential product. Prices range widely from \$200,000 to more than \$1 million. It is anticipated that revitalization trends will continue southward moving through the Bankhead, English Avenue, Vine City and Simpson Road neighborhoods. Plans for the Historic Westside Village project are being revived and should take form during the next two or three years.

Within the Study Area there are redevelopment plans for at least two residential projects: at the intersection of Simpson Road and Chappell Road; and on the north side of Simpson Road between Chappell and Woodlawn Avenue (i.e., Woodlawn Estates). There are several large apartment communities east of these sites that are ripe for revitalization or redevelopment.

Competitive Rental Market

Similar to the national apartment market, the Atlanta area was hard hit by job losses and low interest rates in recent years. However, job gains in the MSA combined with restraint on the part of developers helped the rental market regain its footing in 2004-2005. There appears to be some level of consensus that the worst is over in the apartment market and developers are showing the greatest interest in intown and close-in submarkets. At year-end 2005 Grubb & Ellis estimates the Atlanta market occupancy rate at 91.5%, forecasting a slight increase to 92% in 2006.

Exhibit 21 provides an overview of apartment communities located within or a short drive from the Study Area. While there is an abundance of apartment complexes located within the Study Area (primarily on the north side of Simpson Road) most are older and in poor condition. Furthermore, a handful of vacant, boarded-up complexes are located in the Study Area. Newer communities can be found in close proximity to Simpson Road. Exhibit 21 provides a survey of selected apartment communities within and close to the Study Area.

Gateway at Northside is located in the Study Area and is a tax credit development built in 2004. This community features an array of amenities including a business center, fitness center, pool and washer and dryers units. Rents range from \$670 to \$795 for one bedroom and \$750 to \$1,300 for two bedroom units. Gateway at Northside is currently 96% occupied.

Several successful apartment communities have been constructed within the past two years within a short drive of the Study Area. The Park District at Atlantic Station, M Street Apartments and 1016 Lofts, all completed since 2003, include flats and townhomes and live/work units. Market rate rents for one bedroom units range from \$1,120 to \$1,430 and occupancy rates range from 92% to 99%.

Among the projects shown in Exhibit 21, value ratios range from \$0.64 to \$1.49 per square foot with a mix in occupancy rates ranging from the mid 80s to low 90s. Standard unit and community amenities include: pools, on-site laundry facilities, washer/dryer connections, fitness centers and patios/balconies.

Potential Demand

A statistical demand analysis was performed for the Residential Market Area to estimate the potential market depth for for-sale and rental housing (Exhibits 22 and 23). Even though the analysis uses finite numbers, the end result (i.e., potential market support) should be interpreted as an approximation of market depth that is balanced with the characteristics of the competitive supply.

The two main sources of annual potential demand for housing are new household growth and turnover. New household growth⁴ is traditionally used to project market growth and is based on population and household growth projections. The owner and renter analyses use the average annual increase in population beginning with the estimated household base in 2006 and the projected 2006-2016 annual increase in new households.

In both the owner and renter demand analysis, the more quantitatively significant source of potential demand, turnover, has as a base the estimated number of owner or renter occupied units that will exist within the Residential Market Area during the next ten years. Projected owner or renter occupied households are qualified or segmented by owner or renter turnover rates (derived from the 2000 Census) as well as income and household size. For both renters and owners, it is assumed that a majority of prospective homebuyers will live in one to three person households. In terms of income, the bulk of potential homebuyers will likely have annual incomes of \$45,000 and higher while prospective renters will have annual incomes between \$30,000 and \$60,000.

Households that will potentially be owners or renters are qualified by income, household size and Tapestry data. Recognizing that estimated potential demand will depend on housing preferences of new and existing market area households, Tapestry data is used to narrow demand estimates to include households that would be most attracted to new housing developed in the Study Area and adjoining neighborhoods (e.g., young professionals, empty nesters, couples with few or no children, etc.). In other words, the appeal of residential development in and immediately around the Study Area will vary depending on a household's

⁴ New households are those currently living outside of the Residential Market Area, the majority of whom likely reside within the Atlanta MSA.

characteristics or preferences/lifestyle choice. For instance, a large family may prefer a house with a big yard as opposed to a loft-style condominium in an urban setting.

Over the next ten years 4,373 Residential Market Area households will be potential buyers of newly developed higher density, mixed-use market rate housing annually. An estimated 7,695 annual households in the Residential Market Area are potential renters at market rate projects set in a mixed-use setting. Based on an evaluation of the competitive housing market, planned and proposed physical improvements in the Study Area, access to Downtown/Interstate system/MARTA, a growing demand for close-in housing, relatively affordable land prices and our experience in facilitating residential development in comparable areas, Marketek estimates that during the first ten years of development, approximately 4,488 units of market rate for-sale and rental housing units could be absorbed in the Study Area and adjoining neighborhoods (Exhibit 24).

Within the estimated demand for 4,488 residential units, 33% (or 1,487 units) is for-sale product and 67% (or 3,001 units) is rental product. Marketek estimates that the Study Area and the adjoining neighborhoods have the potential to capture 4% of Residential Market Area demand for higher density, for-sale product and rental product between 2006 and 2016, the vast majority of which will be new construction. The projection for the potential demand for housing assumes that there will exist marketable for-sale and rental product and that a marketing program for new housing will be underway.

Residential Program

Early residents of newly developed market rate housing in and around the Study Area are likely to be relatively mobile, active and somewhat adventuresome. The table on the following page provides a generalized summary of primary target markets for residential development. Prospective residents will primarily include singles and couples with few or no children, employees who work nearby, MARTA commuters, empty nesters interested in downsizing or moving to a location where they can walk to shopping, entertainment and MARTA. Unit/project design should vary depending on target market lifestyles. For instance, young singles who spend little time at home will be happy with smaller units but large bedrooms while empty nesters will require space for entertaining and ample storage for years of accumulating furniture, books, clothing, etc.

Based on recent home sales in and close to the Study Area, opening price points of condominium/loft units should range from \$150,000-\$200,000 with townhouses priced from \$180,000-\$250,000. Opening price points for single family detached infill housing in the Study Area's established neighborhoods should range from \$260,000-\$340,000. Smaller, more affordable units will appeal to first time homebuyers while larger, more expensive units will appeal to move-up or move-over buyers as well as empty nesters/retirees. Although there is clearly demand for units priced above \$340,000, it is our opinion that in this market when unit prices rise above this level – particularly in the early phase of redevelopment – demand will begin to thin out.

	PRIMARY TARGET MARKETS FOR NEWLY DEVELOPED HOUSING		
	For-Sale Product	Rental Product	Live/Work Units
Occupation Age Household Size Income Approximate Price Point Motivations/Preferences	Entry-Level Professionals 25 to 35 1 to 2 persons, few with children \$45,000-\$65,000 \$150,000-\$230,000 Access to work/downtown/ MARTA/Beltline Tired of rentals/first time buyer Investment and resale important Seek vibrant, mixed-use setting Intown lifestyle w/o intown pricetag Relatively mobile	Entry-Level Professionals 25 to 35 1 to 2 persons, few with children \$25,000-\$40,000 \$800 Alone/\$1,200 Roommate Access to work/downtown/ MARTA/Beltline Seek vibrant, mixed-use setting Highly Mobile	Creatives/Professionals 25+ 1 to 2 persons, few children \$30,000+ \$160,000+ Buy/\$900+ Rent Seek urban lifestyle Seek large adaptable spaces Access to suppliers, customers Creative community Relatively mobile Creatives Advertising, marketing, film & music, software developers, inventors, photographers, designers, culinary, clothing design, furniture designers, hat makers, jewelry design, welders Professionals More traditional fields of accounting/finance, education, law, various types of consulting
Occupation Age Household Size Income Approximate Price Point Motivations/Preferences	Higher Level Professionals 30 to 50 1 to 2 persons, some with children \$65,000+ \$240,000+ Access to work/downtown/ MARTA/Beltline Move-up or move-over buyer Seek vibrant, mixed-use setting Value authenticity/community Investment and resale important Relatively mobile	Higher Level Professionals 30 to 50 1 to 2 persons, few with children \$40,000+ \$1,100-\$1,400 Access to work/downtown/ MARTA/Beltline Seek vibrant, mixed-use setting Relatively mobile	
Occupation Age Household Size Income Approximate Price Point Motivations/Preferences	College Parents 50+ Varies \$80,000+ \$150,000-\$280,000 Child at nearby college/university Close to school/safe Investment and resale a priority After graduation, move in or sell	Students 18 to 30 Single with/without roommate Varies \$750 Alone/\$1,200 Roommate/s Close to school, friends Seek vibrant, mixed-use setting Highly mobile Security conscience	
Occupation Age Household Size Income Approximate Price Point Motivations/Preferences	Empty Nesters/Retirees 55+ 1 to 2 persons \$35,000 and/or available equity \$200,000+ Possibly close to children Walk to businesses/services/ MARTA/Beltline Proximity to cultural activities Less maintenance, more security Move-over, move-down buyer Highly settled Value over investment Primary or second residence	Empty Nesters/Retirees 55+ 1 to 2 persons \$35,000 or available equity \$950-\$1,200 Possibly close to children Walk to businesses/services/ MARTA/Beltline Proximity to cultural activities Less maintenance, more security Seeking intown lifestyle Relatively settled Primary or second residence	

Current monthly rents at nearby market rate rental communities suggest that market rents in the range of \$950 to \$1,150 for a two-bedroom unit would be achievable in the Study Area. These rents assume the apartment communities would offer a unique architectural style and have amenities offered at competitive projects. Community features should include secure parking with at least one space per unit, a fitness center, pool, enhanced security measures and a business center. Possible upgraded community features shared space (e.g., community/rooftop garden, internet café), tennis and housekeeping/concierge services. Washer/dryer hookup or washer/dryer, balcony, extra storage, dishwasher/disposal, cable-ready and high-speed Internet access should be standard unit features. Many successful rental projects throughout the nation incorporate features that were once reserved for owner occupied homes to reduce the distinction between renters and owners: private street level entrances, assigned street addresses to individual units, garages and storage with direct access to the unit.

Live/work units – rental and for-sale – should be included in housing program to accommodate growing numbers of people who are seeking larger than average space that is adaptable to living and working. The concept of live/work housing is gaining momentum as more people are choosing to work from home. Live/work units range from smaller (1,000 square feet) open floor plans with exposed structural features and curtains/low walls to separate living/working space to higher end commercial first floor space (retail, office, service, technology-based) with upper level (one or two floors) living areas accessed by a separate entrance. The Study Area’s access to MARTA enhances its potential for live/work space.

Affordably priced workforce housing should be also incorporated in the housing program. Ideally 20% of new housing developed will target low- to moderate-income households, some of whom many already live in the community. Providing a variety of housing options that meet the needs of varying income groups help to create authentic, vibrant and sustainable communities. Higher density housing is one way to facilitate affordable housing development, as well as government-sponsored programs (e.g., Low Income Housing Tax Credit Program, down payment assistance programs, Community Development Block Grants). The most successful mixed income communities are those where lower and higher priced homes blend seamlessly.

RETAIL MARKET

Market Assessment

Atlanta's strong population growth and in-migration, robust residential development and a strong economy have sustained the local retail market. Retail growth is expected to be especially strong in Atlanta's intown neighborhoods and southern suburbs where new residents are being drawn. Continued population growth drove the retail market over the past two years and is expected to do the same in 2006, albeit at a slower rate as the housing market cools off. Interest in intown infill and multiuse projects with ground level retail and residential above will no doubt continue in 2006, largely due to the success of projects such as Atlantic Station and the Edgewood Retail District.

According to statistics published by Dorey Publishing and Information Services, a local commercial real estate database company, in its semi-annual *Dorey's Atlanta Retail Space Guide*, the metro Atlanta submarket within which the Study Area is located is called "West Atlanta." As of fall/winter of 2005, according to Dorey, the West Atlanta submarket included over 1.9 million square feet of retail space. Vacancy is reported at 4.9% with 94,875 square feet of available space. Available rents ranged from \$3.50 to \$28.00, varying largely with the age of the shopping center.

Within the Study Area, retail space consists largely of aging strip centers containing mom 'n' pop businesses, often consisting of local restaurants, barbershops/hair salons, laundromats and small food marts. Storefront churches are increasing in number along Simpson Road, replacing former retail space. High vacancy rates are typical and several strip centers are in disrepair or completely vacant. In evaluating City of Atlanta businesses permit data, grocery stores and professional services are the two leading business types permitted within the Study Area. Auto related companies make up 7% of businesses and a significant portion of land in the Study Area is devoted to auto related uses.

Despite the fact that a large share of existing businesses on Simpson Road are small grocery stores or food marts, the Study Area lacks a large national grocery store. Exhibit 25 displays major shopping centers located within a short drive of the Study Area. Several of these centers were built within the last ten years and remain well-maintained and well-occupied, with rents ranging from \$17 to \$24/NNN (triple net). While some of the centers surveyed offer a variety of grocery stores to Study Area residents, few centers contain stores selling apparel, home furnishings or other retail goods.

Historic Westside Village is the most recently developed project surveyed, located a short drive from Simpson Road on Martin Luther King, Jr. Drive across from Atlanta University Center. Anchored by Publix, Westside Village is fully occupied with lease rates ranging from \$18 to \$24/NNN. Plans for Historic Westside Village ultimately include 200,000 square feet of retail. Construction on Phase II will soon be underway, which will entail additional retail space condominiums/townhomes.

The limited supply of existing retail establishments in and immediately surrounding the Study Area indicate that the Corridor is not presently meeting its retail

potential. A 1999 study by the Initiative for a Competitive Inner City and Price Waterhouse Coopers estimates that approximately 25% of potential retail demand is not being met in many inner city communities throughout the nation, forcing residents to shop outside of their community. This is clearly the case for Corridor Neighborhood Area residents, whose local shopping selection is primarily limited to convenience goods and services.

Potential Demand

Estimates of potential market demand for retail uses are provided to gauge the appropriate level of commercial development in the Study Area. Potential retail sales are estimated by applying expenditure potential⁵ by type of merchandise to market area population figures and are divided among six merchandise and service categories: *shoppers goods, convenience goods, food & beverages, automotive products, personal services and other retail expenditures*.⁶ Based on estimates of sales per square foot of store space, potential sales are converted to supportable space estimates.

Within the Retail Market Area, potential sales of \$2.0 billion would currently support 8.1 million square feet of retail space (Exhibit 27). By 2011, potential sales of \$2.3 billion would support 9.3 million square feet of retail space, representing a five-year increase of 1.3 million square feet. In 2016, potential sales of \$2.6 billion would support 10.9 million square feet of retail space, an increase of 1.5 million square feet. It is important to note that invariably some level of potential expenditures by residents will occur outside of the Retail Market Area, including the Internet.

The share of potential supportable space that the Study Area can ultimately support will depend on the success of implementing a comprehensive redevelopment program that includes a wide variety of retail, entertainment, housing and office uses. In other words, a passive or segmented approach to redevelopment would likely result in the Study Area achieving only a fraction of its estimated potential. Based on the assumption that a comprehensive program is underway, Marketek estimates that over the next ten years the Study Area can capture 7% of the increase in potential retail expenditures of Retail Market Area residents, translating into 199,982 square feet of supportable retail space (Exhibit 28). In addition, Marketek estimates that there is an immediate demand for 64,582 square feet retail space in the Study Area due to a current undersupply of existing retail establishments in and immediately surrounding Simpson Road.⁷ When combined, the Study Area could potentially capture an estimated total of 264,564 square feet of retail space over the next ten years. Capture rates are primarily based on Marketek's experience in similar shopping districts throughout the nation, the Study Area's current retail potential relative to the Retail Market Area and the Study Area's competitive advantages once redeveloped.

⁵ Consumer spending is estimated from the Bureau of Labor Statistics' Consumer Expenditure (CEX) Surveys. The CEX surveys have been used for over a century to provide data to study consumer spending and its effect on gross domestic product.

⁶ Exhibit 26 specifies the types of goods and services within several of these categories.

⁷ A study by the Initiative for a Competitive Inner City and Price Waterhouse Coopers estimates that approximately one-quarter of potential retail demand is not being met in many inner city communities throughout the nation, most of which have a high share of minority residents. A limited supply and quality of merchandise and services in these communities force residents to shop in other areas.

To put demand estimates into context, Exhibit 29 shows the average size of several business types that may be appropriate for the Study Area. In addition to the median size of all businesses within a particular business category, the median size of national, local chain and independent retailers is provided. The following summarizes the distribution of space among *shoppers goods*, *convenience goods*, *restaurant*, *entertainment* and *personal service* retail categories.

- *Shoppers goods* account for the largest share of space. Over the next ten years, the Study Area could potentially support 93,201 square feet of retail space. Types of stores that would fall in this category include clothing stores, home furnishings/accessories, electronics and books/music.
- Marketek estimates that the Study Area could potentially capture 81,287 square feet of *convenience goods* space over the next ten years. This level of potential demand could accommodate a grocery store/market and/or a drug store/pharmacy. The primary target market for *convenience goods* in the Study Area will be nearby residents as consumers are typically willing to travel only a few miles from home for most convenience goods and services.
- The Study Area should be able to capture 6% of the increase in the *restaurant* and *entertainment* sales in the Retail Market Area by 2016, resulting in additional demand of approximately 44,158 square feet of restaurant space and 14,684 square feet of entertainment space. Key target markets for *restaurants* and *entertainment* are community/Retail Market Area residents, people who work at nearby businesses and area students.
- Over the next ten years, the Study Area could capture 10% of *personal service* space supported by Retail Market Area resident expenditures and unmet demand, resulting in 31,234 square feet of supportable *personal service* space. Similar to *convenience goods*, the primary market for *personal services* will be those living within close proximity of the Study Area.

Estimates of potential retail space in the Study Area should be considered conservative based on the fact that expenditures of two key markets – employees of nearby businesses who do not live in Retail Market Area and area students – fall outside of the model. As discussed in the Demographic Profile, almost 10,000 potential customers of Study Area businesses work within two miles; more than 70,000 work within three-miles. A survey conducted by the International Council of Shopping Centers found that downtown workers surveyed spent an average of \$130 per week during lunch and after work; suburban workers spent \$143 per week. Roughly 25,000 students attend nearby Atlanta University and Georgia Tech. Although a large share of these students undoubtedly live in the Retail Market Area, many may claim their parent's home as their primary residence and would therefore be excluded from the demand estimates.

In addition to demand generated by area employees and students, new housing developed in the Study Area will further boost demand for retail space as a major selling point of new housing will be the ability to walk to shopping and entertainment. Furthermore, the proposed Beltline could have a significant impact on demand for retail in and around the Chappell/Beltline Redevelopment Node; the phasing of the Beltline, however, is unclear at this point.

Retail Program

Immediate access to downtown, proven success of retail west of I-75/85 (e.g., Atlantic Station) and proximity to Atlanta University are all factors that can help Simpson Road implement an effective retail program. Apart from estimating demand, expenditure data can be used to reveal what prices residents will pay and/or the level of their discretionary income they are willing to devote to various goods or services. The Spending Potential Index (SPI) is a measure of market activity that denotes actual dollars spent on certain goods and services. An SPI equal to 100 indicates that consumers are buying or spending at a rate equal to the national average; a SPI greater or less than 100 indicates that consumers are buying/spending above or below the national average, respectively. Exhibit 30 shows that Retail Market Area households consistently spend at a rate below the national average. However, spending is highest on apparel products and services, watches/jewelry, television & sound equipment (VCR/DVD rental and purchase, televisions, TV/audio repair), software for home, groceries, restaurants,

	Primary Target Markets for Retail			
	Community Residents	Area Residents	Area Employees	Area Students
Market Size	Study Area population will expand as redevelopment progresses. More than 72,000 live within one mile of the Simpson Road Corridor.	More than 273,000 people live within a five-mile radius of the approximate center of the Study Area.	Roughly 9,700 people work within a two-mile radius of the approximate center of the Study Area; 72,022 work within a three-mile radius.	Approximately 25,000 students at Georgia Tech and Atlanta University Center.
Motivations	Households living within a short drive or walk will look to the Study Area for a variety of specialty goods and services, entertainment and day-to-day convenience goods and services.	Area residents willing to drive to the Study Area for destination retail goods/services and entertainment. Nearby destinations (e.g., Centennial Olympic Park, Georgia Aquarium, CNN) will also help draw customers to the Study Area	Employees who work close to the Study Area are generally there eight hours a day, five days a week and, consequently, are likely to shop, run errands and eat out in the study area if the appropriate businesses are present.	Once dismissed as a beer-drinking and broke market, college students today are spending more than ever before with an estimated annual buying power of \$200 billion. College students spend an average of \$287 per month on discretionary items, largely on food and beverages, personal care products and music/CDs.
Goods and Services	Women and Men's Apparel (Trendy, Locally Designed) Shoes Sporting Goods Jewelry Home Furnishings/Accessories Garden Supplies Bookstore/Magazines Music/CDs Gift/Cards Specialty Market/Grocery Bakery Child Care Drugstore Video/DVD Rental Health Club/Gym Film Processing Drycleaner/Alterations Barbers Shop Shoe Repair Electronic Sales/Repair Mail/Copy Center Various Types of Restaurants Bar/Grille/Pub Live Theater/Music/Dance	Variety of Apparel Jewelry Specialty Market Bakery Variety of Unique Restaurants Bar/Grille/Pub Gifts/Cards Home Furnishings/Accessories Sporting Goods Entertainment (Theater, Dance, Music, etc.) Electronics	Restaurants/Bars Small Market/Grocery Drugstore Items Mail/Packaging Banks/Financial Services Drycleaners/Alterations Daycare Shoe Repair Exercise studios Film Processing Apparel/Accessories, Music/CDs Books/Magazine Live Entertainment Housewares	Apparel (Trendy, Vintage, Affordable) Sporting Goods Books Tapes/CDs Computers/Software Gifts/Cards Groceries Cosmetics Ethnic Restaurants Bars/Grille/Pubs Deli Bagel/Bakery Coffee Pizza Live Music/Theater Health Club/Yoga Dry Cleaning/Laundry Barber/Salon Bicycle Repair Video Rental Film Processing

personal care products, school books/supplies and theater/movies/ballet/opera. It is important to note that an SPI below 100 does not negate demand but rather suggests how much consumers are willing to pay – perhaps indicating the need for affordably priced merchandise.

The table on the previous page identifies primary target markets for retail development in the Study Area and summarizes the characteristics and motivations of each. In addition, it lists businesses and activities that would appeal to key markets, based on the following: demographic characteristics, retail spending activity, community input, the supply and quality of existing nearby retail establishments, physical constraints of the Study Area and retail trends. In some instances there is overlap in the types of businesses and activities appealing to different target markets, ultimately reinforcing the demand for such businesses in the Study Area.

OFFICE-INDUSTRIAL MARKET

Office Market Assessment

While not an established venue for office space development, the Simpson Road Corridor is immediately adjacent to the well-established downtown Atlanta, the emerging Upper Westside and the I-20 West office submarkets (Exhibits 31 and 32). Combined with quick access to MARTA rapid rail and the metro area's interstate highway system, this location helps provide some opportunities for limited office space development over time.

Downtown, one of the metro area's major office employment centers, anchors the eastern end of the Simpson Road Corridor. The latest available statistics from the Atlanta Regional Commission (ARC) show approximately 137,000 employees located downtown, with the bulk of them in the Business Services and Government sectors. Major downtown employers include the Atlanta Journal & Constitution; The Coca-Cola Company; Bank of America; Crawford Long Hospital; Deloitte & Touche; Georgia-Pacific; The Southern Co./Georgia Power; SunTrust Banks; and Turner Broadcasting/CNN.

The Simpson Road Corridor also enjoys a strategic location with respect to downtown Atlanta's convention and visitor business. Simpson Road's eastern terminus is next to the 1.4 million square-foot Georgia World Congress Center exhibition/convention complex as well as the adjacent Georgia Dome. These two facilities complement AmericasMart (formerly the Atlanta Market Center), a 6.2 million square-foot furnishings and apparel marketplace. Downtown also has an inventory of more than 10,500 hotel rooms to accommodate the 3.5 million annual delegates attending conventions and trade shows.

Immediately to the east of the World Congress Center complex, the Georgia Aquarium opened in late 2005 on a site just north of Centennial Olympic Park. The eight million-gallon/505,000 square-foot facility will be soon be joined by a new World of Coca-Cola Museum, slated to open on an adjacent site during 2007. According to a 2005 Georgia State University study, the Georgia Aquarium/World of Coca-Cola combo will contribute approximately \$200 million annually to the state economy, \$255 million in state and local tax revenues over a 15-year period, and create 3,300 new jobs.

These two projects are part of a wave of redevelopment taking place in the vicinity of Centennial Olympic Park. According to Central Atlanta Progress (CAP), the private/nonprofit Downtown Atlanta economic development group, there are 776 condominium units currently planned or under construction in 13 separate developments in this area as well as approximately 600 new apartments units in two projects.

The northern limit of the Simpson Road Corridor is roughly bounded by the D.L. Howell Parkway, the southern boundary of the Chattahoochee Industrial District. The district is part of the emerging Upper Westside office and commercial market, located west of the I-75/85 Downtown Connector and anchored by the Atlantic Station office/retail/residential mega development.

Industrial Market Assessment

While not itself a center of industrial development, the Simpson Road Corridor is adjacent to two metro-Atlanta submarkets featuring varying degrees of activity. The corridor is roughly bounded on the north by the D.L. Howell Parkway, which is also the southern boundary of the Chattahoochee Industrial District. As of the end of 2005, Chattahoochee Industrial contained just over 16.1 million square feet of space, most of it in the form of older office/warehouse/distribution facilities (Exhibit 33).

A combination of convenient location (particularly with respect to Downtown and Midtown) and relatively low rents have historically been the main attraction of the Chattahoochee Industrial District for space users. More recently, somewhat in step with the accelerating profile of Atlantic Station, industrial has been supplanted by other land uses within the boundaries of the district. These uses include apartments, such as 308-unit M Street, a redevelopment of the former Central Metals site at Northside Drive and Marietta Boulevard; and townhomes such as the 180-unit M West, located at Marietta Boulevard and Elaine Avenue. Former industrial facilities have also been redeveloped as small-scale office/mixed-use projects, such as King Plow and Puritan Mill.

This type of redevelopment notwithstanding, there is still significant – albeit not widespread – industrial activity taking place within the Chattahoochee Industrial District. Examples include the 2005 conversion of seven buildings totaling 60,000 square feet at 1876 DeFours Ferry Rd. into for-sale office/warehouse condominiums; and the purchase of office/warehouse property at 1455 Ellsworth Drive by foodservice wholesaler Restaurant Depot for construction of a 60,000 square-foot distribution center serving in-town Atlanta restaurants.

The 87.3 million square-foot I-20 West/Southwest industrial submarket is located to the west of the Simpson Road Corridor. This predominately bulk-warehouse submarket, the second-largest in the metro area, was established in the 1960s when the Fulton Industrial District, stretching north-to-south along Fulton Industrial Boulevard in the northwest portion of Atlanta, was created to accommodate Atlanta's growing role as a major distribution center. The district grew over time in conjunction with the Interstate Highway system, eventually becoming a popular warehouse location due to its direct access to Atlanta, Birmingham points west via I-20, as well as to Interstates 75 and 85 via I-285.

Beginning in the 1980s, growth of industrial space uses in the district spilled over to the west and south to create a sprawling submarket that now includes portions of Cobb, Douglas, and south Fulton and Coweta Counties. The extension of Camp Creek Parkway in the late 1980s/early 1990s created a direct road connection from Hartsfield-Jackson north to Fulton Industrial Boulevard and on to I-20 West at the Douglas County's Thornton Road interchange. This, in turn, has triggered a continuing wave of industrial growth that has resulted in approximately one-third of the submarket now lying west of the Chattahoochee River in Cobb and Douglas Counties.

The Simpson Road Corridor is technically located within what is known as the "Central Atlanta" industrial submarket, an area that basically encompasses all industrial product within the Atlanta city limits that is not located in Chattahoochee Industrial. The overwhelming majority of this 13.2 million square-

foot submarket is located east of I-75/I-85 and south of I-20, not in close proximity to Simpson Road. Much of the industrial product here was built prior to the 1970s. As is the case in Chattahoochee Industrial, much of it is being adaptively reused in one form or another, or torn down to make way for alternative uses.

Potential Demand

The combination of proximity to downtown, the shift of land uses to the north from industrial to residential, and easy access to components of metro Atlanta's rapid rail and interstate highway system creates some long-term opportunities for limited development of office space within the Simpson Road Corridor.

Growing residential populations to the north and east, the result of the steadily growing attractiveness of intown living, can be expected to add to the population of the Corridor over time. A growing population would, in turn, generate demand for smaller-scale facilities for use by medical, dental, legal, insurance, and other consumer-oriented users of office space. Much of this office space could effectively be developed as part of smaller-scale, mixed-use office/retail projects.

The potential for large-scale industrial development in the Simpson Road Corridor is extremely limited. An abundance of relatively inexpensive, much better-located (from a logistics standpoint) warehouse and distribution product in the nearby Fulton Industrial District and a growing amount of new, state-of-the-art facilities further to the west along I-20 confine the Study Area's potential for large-scale industrial development.

There may, however, be a potential for some development of small-scale distribution facilities within the Study Area. This kind of development could perhaps take the form of for-sale office/warehouse condominiums as described above; and perhaps some single-building projects on carefully selected sites.

A potential source of demand for this type of product in the Study Area would be businesses that service downtown Atlanta's convention/visitor industry. The corridor's proximity to the Georgia World Congress Center complex and the adjacent Georgia Dome make it a convenient location for storage/operations space for smaller companies involved in staging, running and cleaning up after conventions, trade shows, etc. A secondary source of demand over time could come from an expanding residential population. Small, for-sale office/warehouse condominiums could be an attractive facilities option for small-business decision makers that want offices – along with some storage/distribution space – that is relatively close to their intown residences.

Marketek estimates that over the next ten years, the Study Area could support an additional 60,000-80,000 square feet of office-industrial space.

NEXT STEPS

The Simpson Road Corridor faces numerous challenges in its goal to reverse the social, physical and economic decline of the last few decades. Simpson Road is not unlike hundreds of other deteriorated urban commercial corridors across the country and should heed the many examples of districts that have successfully turned the corner toward sustained revitalization.

Some of the best successes can be attributed to the work of the Local Initiative Support Corporation (LISC), which has established over 35 commercial revitalization programs in highly distressed commercial districts. Building upon the Main Street approach, LISC adapted the model for urban markets and employed a community-based strategy with the following key components:

1. Work with community development corporations (CDCs) or similar nonprofit sponsor organization with organizing, marketing and real estate development experience.
2. Build and support coalitions of diverse partners to develop a community vision for the district's revitalization. The participation of volunteers is key including merchants, property owners, residents, public officials, banks, churches and others. A strong and active advisory committee to lead the charge is critical to success.
3. Address quality of life concerns with a high emphasis on safety.
4. Invest in a mix of large redevelopment and smaller-scale business development. In a few districts attracting 'big ticket' projects together with business and property owner assistance led to significant business expansion. Within three years of the start of LISC's commercial revitalization program, private investment outpaced public investment by a margin of nearly two-to-one.
5. Enhance local capacity for commercial corridor revitalization through training, technical assistance and capital resources.

General "next steps" in successfully promoting and capitalizing on the market opportunities identified in the market analysis are outlined below.

REAL ESTATE
<ul style="list-style-type: none">• Conduct a review of existing sites, buildings and underutilized/vacant lots for redevelopment and prepare a property inventory that includes property specifications and condition, ownership, the terms of the sale/lease.
<ul style="list-style-type: none">• Rank sites/buildings according to their potential for development or locational importance, categorizing them as short-term or long-term potential initiatives.
<ul style="list-style-type: none">• Concentrate on Redevelopment Nodes, building on existing anchors and recreating 'fabric' where none exists. Expand lot depth and breadth at these sites to create parcels large enough to make a meaningful impact.
<ul style="list-style-type: none">• Offer relocation assistance to inappropriate businesses/uses within the Redevelopment Nodes and, perhaps, businesses between the Nodes that are incompatible with redevelopment activity and/or aesthetically undesirable.

TARGETING
<ul style="list-style-type: none"> • Create a brand identity for the Study Area that separates the Simpson Road Corridor from its competitors. The brand identity should be the foundation upon which all to redevelopment initiatives are based – e.g., logo, urban design, signage, advertising, marketing collateral, website, business recruitment, etc.
<ul style="list-style-type: none"> • Create a Corridor wide business development team and target businesses based on the findings of the market study and rank them as near term and long term prospects.
<ul style="list-style-type: none"> • Develop a cluster plan that unifies the Redevelopment Nodes with complementary businesses and uses that benefit from each other's sales, customers and markets. Work with realtors to steer developers and prospective businesses to appropriate locations.
<ul style="list-style-type: none"> • Look into possible tax incentives to help "home-grown" businesses locate and stay in the area. Consider forming an Entrepreneurship Association that includes training, mentoring, technical assistance, business incubator and support for home-based businesses.
<ul style="list-style-type: none"> • Investigate existing and/or develop specific incentives to entice investors: e.g., assembling and contributing land; long term no-cost lease in exchange for training and hiring local residents; density bonuses; expedited plan review; and other strategies used by urban redevelopment agencies.
IMAGE
<ul style="list-style-type: none"> • Institute a community wide "clean-up" program, with emphasis on high traffic areas. The Study Area must recreate itself as a vibrant, clean and safe business district in the eyes of prospective businesses and target markets.
<ul style="list-style-type: none"> • Conduct an aggressive public relations campaign to educate area residents, workers, students and visitors of opportunities and activities in and near Simpson Road.
<ul style="list-style-type: none"> • Develop collaborative marketing initiatives with other Westside business districts.
<ul style="list-style-type: none"> • Host an Economic Development Summit/Visioning Session; showcase existing neighborhood businesses, conduct an <i>Asset Building Community Development</i> workshop to identify entrepreneurial assets and resources and to provide encouragement to the local community for positive change.
<ul style="list-style-type: none"> • Develop collateral marketing materials (i.e., CD-ROMs, market opportunity fact sheets, prospect packages, etc.) specifying potential redevelopment opportunities in the Study Area.
<ul style="list-style-type: none"> • Invest in developing a website specific to the Study Area that communicates its identity to existing and prospective businesses, residents and customers. Use the website to post development progress, business listings, residential and commercial real estate information, special events, development incentives, etc.
<ul style="list-style-type: none"> • Work to overcome widespread fear about the Simpson Road Corridor. A weekend farmers market is an example of a "community invitation" to check out the district. Leverage that into other special events that will widen the interest and the audience.

RECRUITMENT
<ul style="list-style-type: none"> • Prepare a business recruitment package based on the findings of the market analysis. Develop a database to track prospects.
<ul style="list-style-type: none"> • Create and maintain referral networks with area brokers, economic development agencies, developers, etc. and educate them regarding the types of businesses, housing and activities most appropriate for the Study Area.
<ul style="list-style-type: none"> • Enable developers and prospective businesses to access downloadable recruitment material and applications.
<ul style="list-style-type: none"> • Ensure that resources are set-aside on an annual basis to maintain ongoing recruitment and marketing initiatives.

MAPS

Map 1: Redevelopment Node Areas

Map 2: Corridor Neighborhood Area

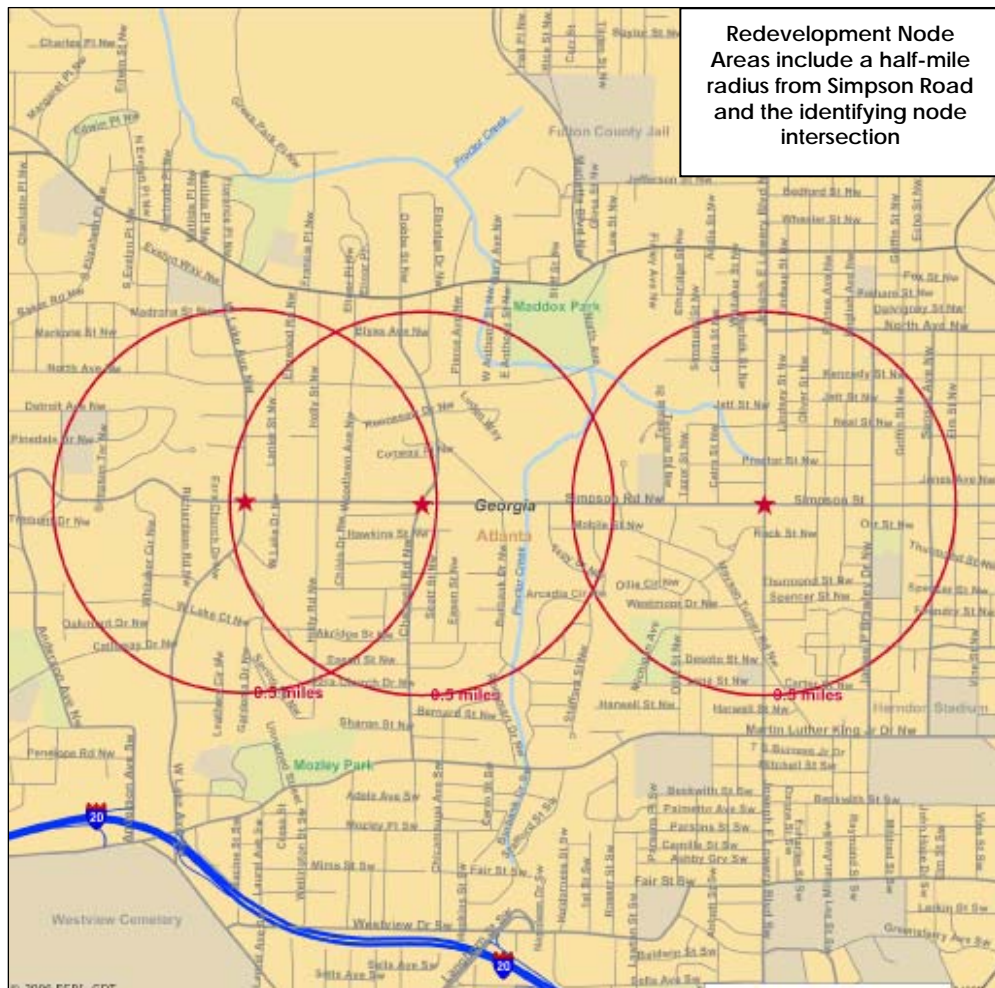
Map 3: Retail and Residential Market Areas

Map 4: Employment Areas: One-, Two- and Three-Mile Areas

Map 5: 30314 and 30318 Zip Codes

Map 1

REDEVELOPMENT NODE AREAS

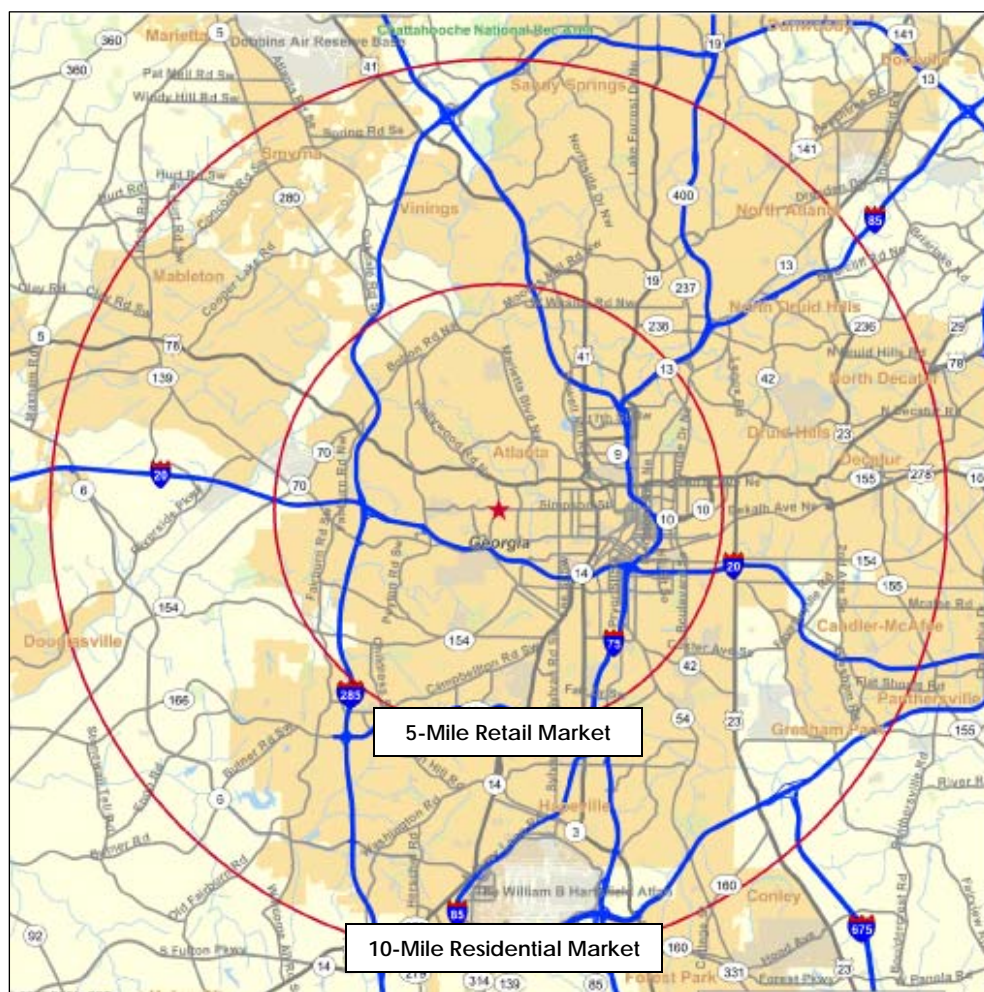


Map 2

CORRIDOR NEIGHBORHOOD AREA



RETAIL AND RESIDENTIAL MARKET AREAS



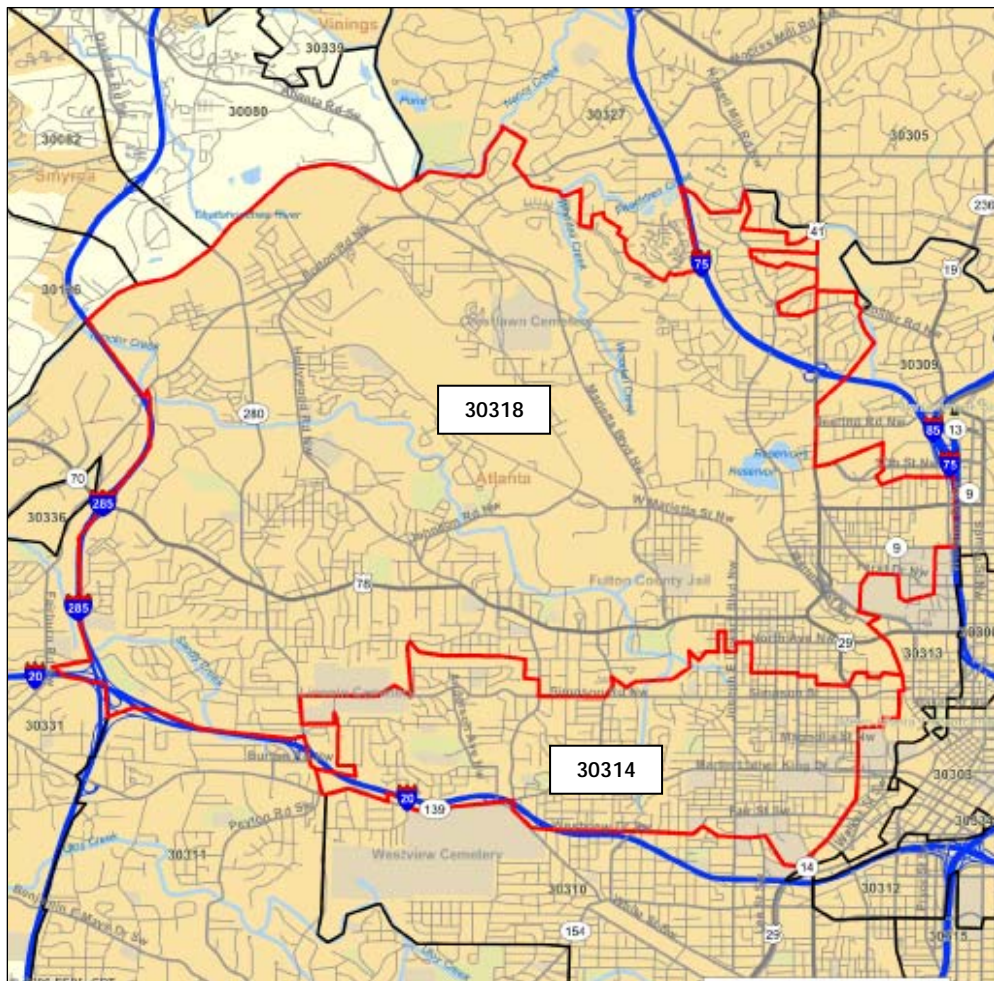
Map 4

EMPLOYMENT AREA MAP: 1-MILE, 2-MILE AND 3-MILE AREAS



Map 5

30314 AND 30318 ZIP CODES



EXHIBITS

- Exhibit 1: Population Growth: Study Area, City of Atlanta, Corridor Neighborhood Area, Retail Market Area, Residential Market Area, Atlanta MSA and State of Georgia
- Exhibit 2: Demographic Snapshot: Study Area, Corridor Neighborhood Area and Redevelopment Node Areas
- Exhibit 3: Age Distribution: Study Area, Corridor Neighborhood Area, City of Atlanta, Retail Market Area, Residential Market Area and Atlanta MSA
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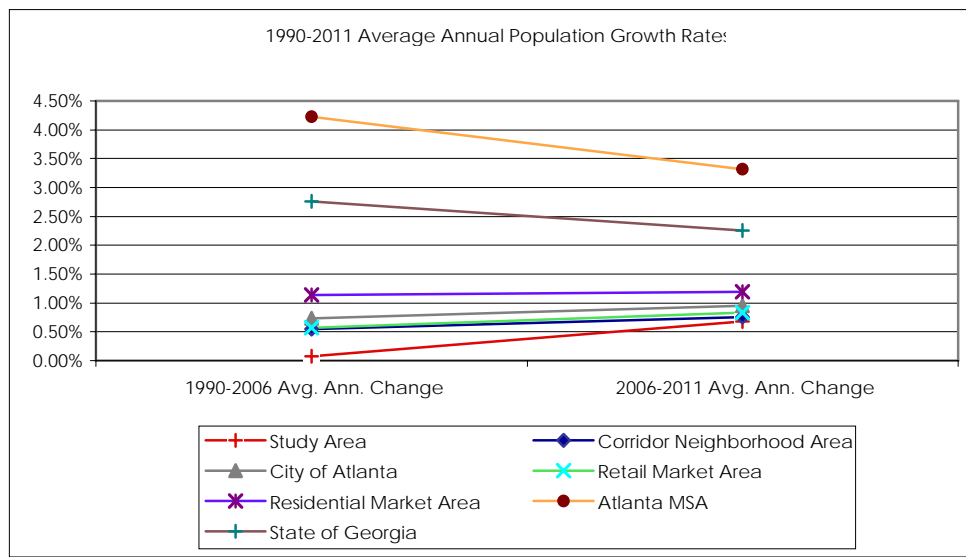
Exhibit 1

POPULATION GROWTH

Study Area, Corridor Neighborhood Area, City of Atlanta, Retail Market Area, Residential Market Area, Atlanta MSA and State of Georgia

1990-2011

Geographic Area	1990	Avg. Ann. Change 1990-2006			Avg. Ann. Change 2006-2011		
		2006 (Estimate)	Number	Percent	2011 (Forecast)	Number	Percent
Study Area							
Population	3,032	3,068	2	0.07%	3,171	21	0.68%
Households	1,216	1,153	-4	-0.32%	1,194	8	0.72%
Avg. Household Size	2.42	2.55	0.008		2.55	-0.001	
Corridor Neighborhood Area							
Population	66,726	72,620	368	0.55%	75,348	546	0.76%
Households	21,959	23,605	103	0.47%	24,892	257	1.10%
Avg. Household Size	2.44	2.37	-0.004		2.35	-0.004	
City of Atlanta							
Population	391,646	437,595	2,872	0.73%	458,330	4,147	0.96%
Households	154,916	180,919	1,625	1.05%	191,168	2,050	1.15%
Avg. Household Size	2.39	2.26	-0.008		2.25	-0.002	
Retail Market Area							
Population	250,893	273,598	1,419	0.57%	284,911	2,263	0.83%
Households	97,177	110,808	852	0.88%	116,664	1,171	1.07%
Avg. Household Size	2.39	2.26	-0.008		2.24	-0.004	
Residential Market Area							
Population	703,020	831,024	8,000	1.14%	880,028	9,801	1.19%
Households	283,407	343,411	3,750	1.32%	365,762	4,470	1.32%
Avg. Household Size	2.38	2.31	-0.004		2.30	-0.002	
Atlanta MSA							
Population	3,069,425	5,145,860	129,777	4.23%	5,972,926	165,413	3.32%
Households	1,140,843	1,884,431	46,474	4.07%	2,183,932	59,900	3.28%
Avg. Household Size	2.65	2.68	0.002		2.70	0.004	
State of Georgia							
Population	6,478,216	9,339,447	178,827	2.76%	10,368,284	205,767	2.25%
Households	2,366,615	3,448,163	67,597	2.86%	3,833,175	77,002	2.28%
Avg. Household Size	2.66	2.64	-0.001		2.64	0.000	



Note: Study area 2011 projections do not account for anticipated redevelopment activity.

Exhibit 2

DEMOGRAPHIC SNAPSHOT
Study Area, Corridor Neighborhood Area and Redevelopment Node Areas

Demographic Indicator	Study Area	Corridor Neighborhood Area	Redevelopment Node Area		
			Lowery	Chappell/Beltline	West Lake
Population	3,068	72,620	5,125	5,447	5,664
Households	1,153	23,605	2,098	2,110	1,920
2000-2006 Average Annual Population Growth Rate	0.20%	0.65%	0.44%	0.70%	0.35%
Average Household Size	2.55	2.37	2.52	2.44	2.66
Median Age (Years)	31.9	29.4	37.8	31.9	30.0
Median Household Income	\$24,312	\$26,877	\$23,852	\$23,726	\$23,982
Race					
White Alone	1%	10%	1%	1%	1%
African-American Alone	98%	86%	98%	99%	98%
Other	1%	4%	1%	1%	1%
Percent Hispanic	1%	2%	1%	1%	1%
Employed Population 16+					
by Occupation	845	21,312	1,553	1,311	1,355
White Collar	43%	53.1%	34.0%	36.9%	40.6%
Management/Bus/Financial	6%	8.4%	4.2%	2.7%	5.5%
Profession	11%	19.0%	6.8%	10.7%	11.1%
Sales	8%	7.9%	8.4%	6.6%	6.3%
Administrative Support	17%	17.8%	14.6%	16.9%	17.7%
Services	32%	25.3%	31.9%	36.6%	32.6%
Blue Collar	26%	21.8%	34.0%	26.5%	26.7%
Farming/Forestry/Fishing	1%	0.7%	1.2%	0.5%	1.0%
Construction/Extraction	5%	4.1%	8.2%	3.7%	4.3%
Installation/Maintenance/Repair	4%	2.7%	5.2%	4.9%	3.0%
Production	5%	4.3%	4.4%	7.6%	6.9%
Trans/Material Moving	10%	10.0%	15.0%	9.8%	11.5%

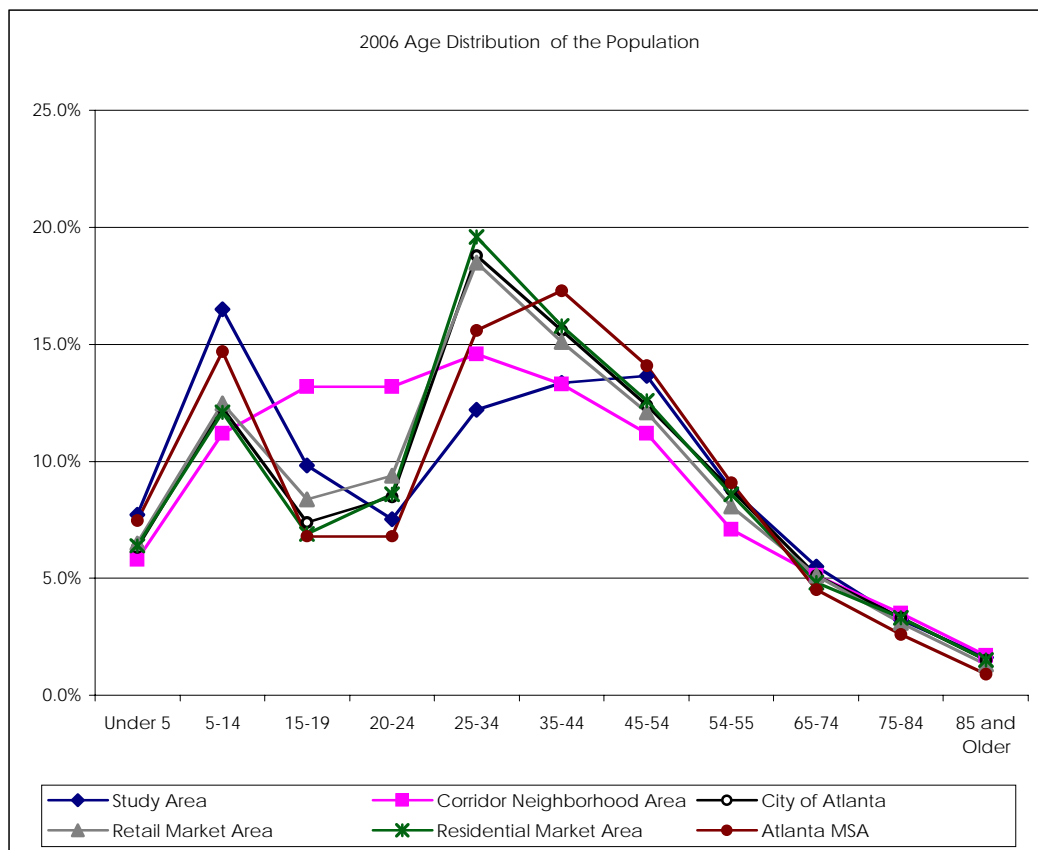
*Note: Household size, age, income and race figures are 2006 estimates. Redevelopment Node Areas include the area within a half-mile radius of the identifying node intersection.

Source: ESRI BIS

Exhibit 3

POPULATION BY AGE
Study Area, Corridor Neighborhood Area, City of Atlanta, Retail Market Area,
Residential Market Area and Atlanta MSA
2006

Age Category	Study Area	Corridor Neighborhood Area	City of Atlanta	Retail Market Area	Residential Market Area	Atlanta MSA
Under 5	7.7%	5.8%	6.3%	6.5%	6.4%	7.5%
5-14	16.5%	11.2%	12.3%	12.5%	12.1%	14.7%
15-19	9.8%	13.2%	7.4%	8.4%	6.9%	6.8%
20-24	7.5%	13.2%	8.5%	9.4%	8.6%	6.8%
25-34	12.2%	14.6%	18.8%	18.5%	19.6%	15.6%
35-44	13.4%	13.3%	15.6%	15.1%	15.8%	17.3%
45-54	13.7%	11.2%	12.4%	12.1%	12.6%	14.1%
55-64	8.8%	7.1%	8.8%	8.1%	8.6%	9.1%
65-74	5.5%	5.1%	5.1%	5.1%	4.8%	4.5%
75-84	3.2%	3.5%	3.3%	3.1%	3.3%	2.6%
85 and Older	1.6%	1.7%	1.5%	1.3%	1.5%	0.9%
Total	3,068	72,620	437,595	273,598	831,024	5,145,860
Median Age	31.9	29.4	33.5	32.3	33.4	34.2



Source: ESRI BIS

Exhibit 4

HOUSEHOLDS BY INCOME
Study Area, Corridor Neighborhood Area, City of Atlanta, Retail Market Area,
Residential Market Area and Atlanta MSA
2006

Income	Study Area	Corridor Neighborhood Area	City of Atlanta	Retail Market Area	Residential Market Area	Atlanta MSA
Less than \$15,000	31.5%	32.6%	20.0%	24.1%	15.3%	8.6%
\$15,000 to \$24,999	22.0%	16.6%	11.3%	12.9%	10.1%	7.4%
\$25,000 to \$34,999	16.9%	13.4%	10.0%	11.2%	10.0%	8.7%
\$35,000 to \$49,999	12.8%	13.2%	12.6%	13.2%	13.8%	14.2%
\$50,000 to \$74,999	8.4%	11.6%	14.2%	13.7%	17.2%	21.1%
\$75,000 to \$99,999	3.3%	5.1%	9.0%	8.0%	10.4%	13.9%
\$100,000 to \$149,999	3.6%	5.1%	10.7%	9.0%	12.1%	16.0%
\$150,000 to \$199,999	0.3%	1.1%	4.4%	3.2%	4.4%	4.7%
\$200,000 and more	1.1%	1.4%	7.8%	4.7%	6.8%	5.4%
Total	1,153	23,605	180,919	110,808	343,411	1,884,431
Median	\$24,312	\$26,877	\$47,831	\$39,156	\$53,811	\$64,794
Median as a % of US	47%	52%	93%	76%	105%	126%

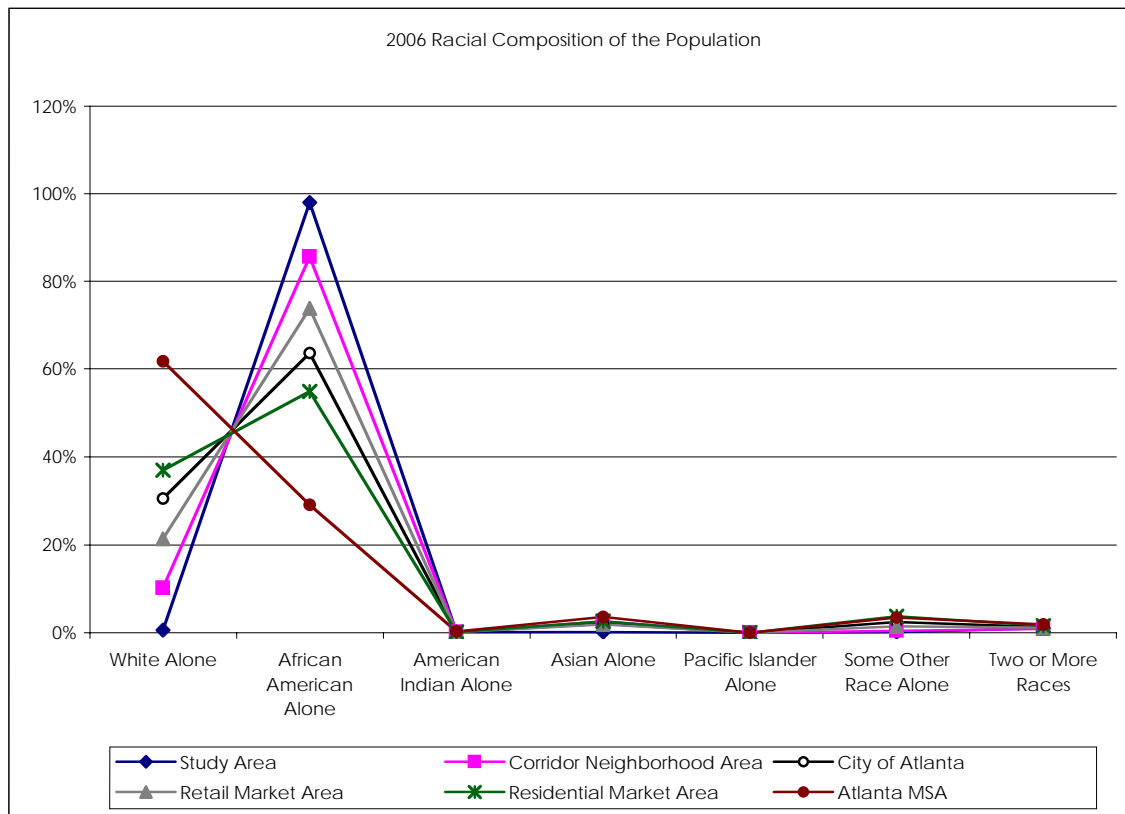


Source: ESRI BIS

Exhibit 5

RACIAL COMPOSITION
Study Area, Corridor Neighborhood Area, City of Atlanta, Retail Market Area,
Residential Market Area and Atlanta MSA
2006

Race	Study Area	Corridor Neighborhood Area	City of Atlanta	Retail Market Area	Residential Market Area	Atlanta MSA
White Alone	0.6%	10.2%	30.4%	21.4%	36.9%	61.8%
African American Alone	98.1%	85.6%	63.7%	73.8%	54.9%	29.0%
American Indian Alone	0.1%	0.1%	0.2%	0.2%	0.2%	0.3%
Asian Alone	0.1%	2.6%	2.0%	1.9%	2.6%	3.6%
Pacific Islander Alone	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Some Other Race Alone	0.2%	0.5%	2.4%	1.5%	3.7%	3.4%
Two or More Races	1.0%	0.9%	1.3%	1.2%	1.6%	1.9%
Total	3,068	72,620	437,595	273,598	831,024	5,145,860
Hispanic (any race)	0.6%	1.9%	5.3%	3.5%	8.1%	8.0%

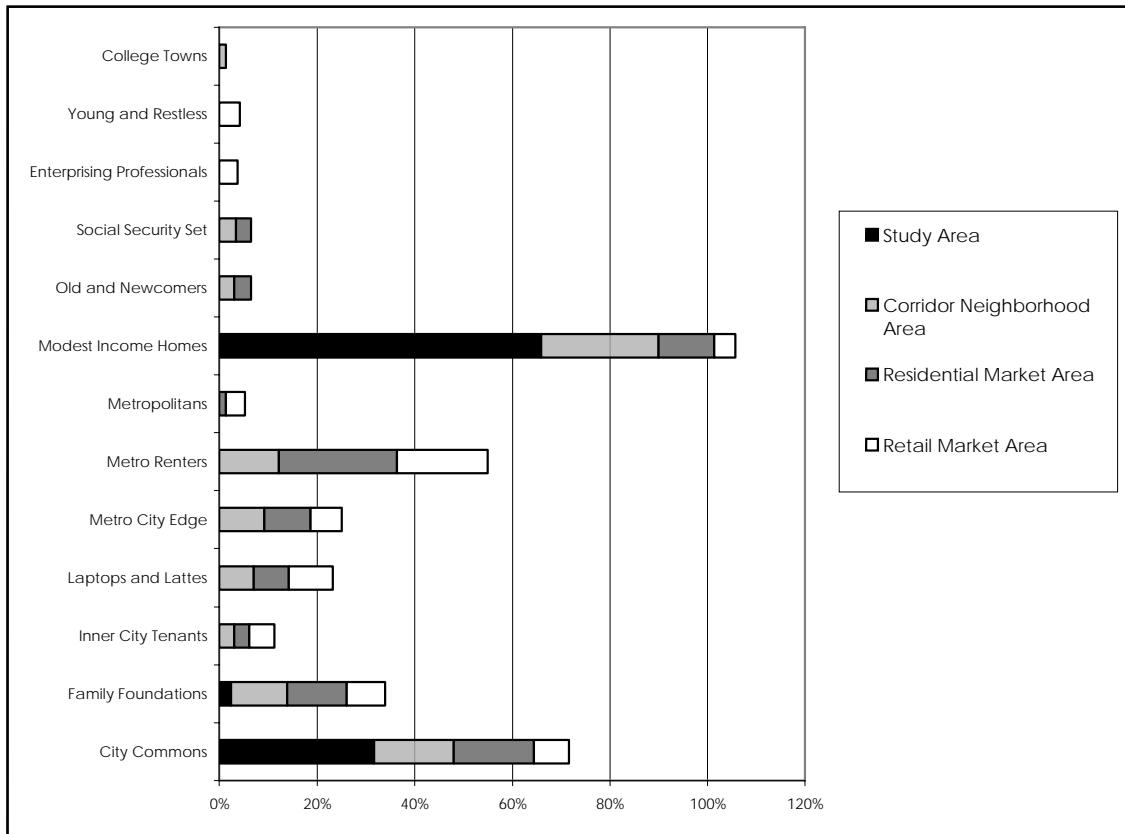


Source: ESRI BIS

Exhibit 6

HOUSEHOLDS BY PRIMARY MARKET SEGMENT
Study Area, Corridor Neighborhood Area, Retail Market Area and Residential Market Area
2006

Study Area		Corridor Neighborhood Area		Retail Market Area		Residential Market Area	
Market Segment	Percent of HHs	Market Segment	Percent of HHs	Market Segment	Percent of HHs	Market Segment	Percent of HHs
1 Modest Income Homes	65.9%	Modest Income Homes	24.1%	Metro Renters	24.1%	Metro Renters	18.6%
2 City Commons	31.6%	City Commons	16.4%	City Commons	16.4%	Laptops and Lattes	9.0%
3 Family Foundations	2.4%	Metro Renters	12.2%	Family Foundations	12.2%	Family Foundations	7.9%
4		Family Foundations	11.4%	Modest Income Homes	11.4%	City Commons	7.2%
5		Metro City Edge	9.3%	Metro City Edge	9.3%	Metro City Edge	6.4%
6		Laptops and Lattes	7.1%	Laptops and Lattes	7.1%	Inner City Tenants	5.1%
7		Social Security Set	3.4%	Old and Newcomers	3.4%	Modest Income Homes	4.3%
8		Old and Newcomers	3.1%	Social Security Set	3.1%	Young and Restless	4.2%
9		Inner City Tenants	3.1%	Inner City Tenants	3.1%	Enterprising Professionals	3.8%
10		College Towns	1.4%	Metropolitans	1.4%	Metropolitans	3.8%
Total Households							
			23,605		110,808		343,411



Note: Market Segments in bold indicate primary status in more than one geographic area.

Source: ESRI BIS

Exhibit 7

HOUSEHOLDS BY MARKET SEGMENT
Redevelopment Node Areas

Tapestry Group	Redevelopment Node Area		
	Lowery	Chappell/Beltline	West Lake
City Commons	24.5%	61.9%	52.3%
Family Foundations	0.0%	0.0%	0.6%
Metro City Edge	0.0%	6.5%	14.4%
Modest Income Homes	73.9%	31.6%	32.7%
Social Security Set	1.6%	0.0%	0.0%
Total Households	2,098	2,110	1,920

Note: Tapestry groups are listed alphabetically. Redevelopment Node Areas include the area within a half-mile radius of the identifying node intersection.

Source: ESRI BIS

Exhibit 8

SUMMARIES OF PRIMARY TAPESTRY MARKET SEGMENTS
Study Area, Redevelopment Node Areas, Retail Market Area and Residential Market Area

Market Segment	Socioeconomic	Residential	Preferences
City Commons	<ul style="list-style-type: none"> • Young singles, one-half with children. • Often multigenerational with adult child at home or grandparent providing child care. • Predominantly black/ 	<ul style="list-style-type: none"> • Likely to rent in mid-rise buildings. • Indicative of their young age, high turnover rates. 	<ul style="list-style-type: none"> • Infant and children's food and clothing are primary purchases. • Also buy women's designer jeans, doll clothes and videos. • Enjoy going to the movies,

	<p>African American.</p> <ul style="list-style-type: none"> • Low income – many receive public assistance. • Among those who work, typically have service jobs. 		<p>practicing martial arts and attending pro basketball games.</p> <ul style="list-style-type: none"> • Fast food and family restaurants. • Enjoy parks and playgrounds.
College Towns	<ul style="list-style-type: none"> • Young, college students or recent college grads. • High levels of education but low incomes. • Predominately white. • About half work part time, usually in service jobs on and off-campus. 	<ul style="list-style-type: none"> • Live on campus or in low-income rental apartments. • A quarter of homes are owner-occupied. 	<ul style="list-style-type: none"> • Computer-savvy and use the internet to make purchases, do research and visit chat rooms. • Drive older cars that they may repair themselves. • Participate in outdoor sports and enjoy backpacking and hiking. • Attend rock concerts, football games and bars.
Enterprising Professionals	<ul style="list-style-type: none"> • Young, highly educated working professionals. • Single or recently married. 	<ul style="list-style-type: none"> • Live in newer neighborhoods in townhomes or apartments. • Mobile but prefer to own rather than rent. 	<ul style="list-style-type: none"> • Purchases reflect their youth, mobility and growing status. • Rely heavily on Internet for shopping, work and communication. • Travel, practice yoga, job and go to the gym.
Family Foundations	<ul style="list-style-type: none"> • Family households, with a mix of married couples, single parents, grandparents and young adult children. • Moderate incomes. • Slightly older. • Predominantly black/African American. 	<ul style="list-style-type: none"> • Live in attached and detached single family homes, valued below the national average. • Stable neighborhoods. 	<ul style="list-style-type: none"> • Active in community. • Budget minded, but spend on home improvement projects, small appliances, baby products and apparel. • Enjoy watching TV, martial arts/kickboxing and basketball. • Health and style conscious. • Do not dine out often.

Exhibit 8 (Continued)

Market Segment	Socioeconomic	Residential	Preferences
Inner City Tenants	<ul style="list-style-type: none"> • Young, multicultural households. • Singles and single parents. • Not highly educated. • Below average incomes generated from service and unskilled labor jobs. 	<ul style="list-style-type: none"> • Usually rent in mid-rise and high-rise buildings. • Renters predominate. • Many depend on transit. 	<ul style="list-style-type: none"> • Much of their income is devoted to infant and children's products. • Enjoy going to the movies, watching TV, shopping and attending basketball and football games. • Like fast food and shop for groceries close to home.
Laptops and Lattes	<ul style="list-style-type: none"> • Young, affluent and single. • Educated, working in professional jobs. • Median age slightly above the national level. • Singles and couples. 	<ul style="list-style-type: none"> • Likely to still be renting. • Live in multi-unit structures. 	<ul style="list-style-type: none"> • Active and unencumbered. • Technologically savvy (PCs, PDAs, etc.). • Health conscious and physically fit. • Buy organic, exercise and are environmentally aware.
Metro City Edge	<ul style="list-style-type: none"> • Young with below average incomes. • Grandparents are caregivers in 4% of homes. • Almost one-half have children, often headed by a single parent. • Unemployment is high with low to moderate incomes. 	<ul style="list-style-type: none"> • Usually live in single family detached homes. • Rental and ownership are almost evenly split. 	<ul style="list-style-type: none"> • Buy baby food and supplies, children's clothing and toys, typically at discount stores/ wholesalers. • Play basketball and football and enjoy going to the movies. • Eat out at fast food restaurants.
Metro Renters	<ul style="list-style-type: none"> • Young, well educated professionals that are just starting out on their own. • Nearly one-third are in their twenties. • Incomes are slightly above average and climbing. 	<ul style="list-style-type: none"> • Likely to rent in high-rise buildings. • High rents may force them to have roommates. • Live in ethnically diverse neighborhoods. 	<ul style="list-style-type: none"> • A young market, expenditures are primarily devoted to themselves: ski/workout clothing, designer apparel, organic food, travel and imported wine/beer. • Go to concerts, movies and dancing and enjoy yoga, skiing and jogging. • Shop online. • Favorite stores are Bloomingdales, Banana Republic, Macy's and Gap.

Exhibit 8 (Continued)

Market Segment	Socioeconomic	Residential	Preferences
Metropolitans	<ul style="list-style-type: none"> • Singles and childless couples. • Slightly older with incomes above the national average. 	<ul style="list-style-type: none"> • Live in older neighborhoods. • Mix of single family and multi-unit structures. • Almost equally divided by renters and owners. 	<ul style="list-style-type: none"> • Busy, urban lifestyle. • Enjoy yoga, listen to jazz, rent foreign videos, attend rock concerts and visit museums. • Travel frequently for business and pleasure.
Modest Income Homes	<ul style="list-style-type: none"> • Single parents and single person. • Many adult children still at home, • Low income, high unemployment. • Work in service and blue collar jobs. 	<ul style="list-style-type: none"> • Typically own their home, valued far below the national average. 	<ul style="list-style-type: none"> • Buy men's designer jeans and own one television set. • Shop at Lane Bryant and Wal-Mart. • Purchases are typically limited to necessities.
Old and Newcomers	<ul style="list-style-type: none"> • A combination of households just starting their careers or are retiring. • Young or old: in their 20s or 75+. • Incomes are slightly below average. 	<ul style="list-style-type: none"> • Single person and shared households more common than families. • Almost two-thirds rent. 	<ul style="list-style-type: none"> • Unencumbered lifestyle. • Drive compact cars and own cats • Recreation includes jogging, walking, golf and racquetball.
Social Security Set	<ul style="list-style-type: none"> • Elderly residents who live alone. • Low, fixed income. • Hold service jobs if still working. 	<ul style="list-style-type: none"> • Often live in low rent apartment buildings. • Only one-third own a car; others rely on public transit. 	<ul style="list-style-type: none"> • Limited incomes restrict their purchases to necessities: food, health care, etc. • Shop at discount stores and nearby grocery stores. • Active in church and community.
Young and Restless	<ul style="list-style-type: none"> • Young and on the go. • Single person and shared households. • Moderate incomes. • Work in service and professional management occupations. 	<ul style="list-style-type: none"> • Due to their youth, high turnover. • Approximately three quarters are renters. • Rents and home values are in line with the national average. 	<ul style="list-style-type: none"> • Purchases center on themselves: sports clothing/gear, designer clothing and computers/software. • Enjoy movies, concerts, fast food and bar/grilles. • Use storage facilities. • Shop at Banana Republic and Express.

Exhibit 9

SUMMARY OF BUSINESSES LOCATED WITHIN STUDY AREA

Business Type	Number	Percent
Shoppers Goods		
Apparel	8	5%
Home Furnishings	0	0%
Home Improvement	0	0%
Miscellaneous Retail	20	12%
Convenience Goods		
Grocery	28	17%
Health and Personal Care	21	13%
Restaurants	17	11%
Entertainment/Social	5	3%
Services		
Professional Services	27	17%
Consumer Services	23	14%
Auto Related	12	7%
Unknown	45	---
TOTAL	206	100%

Source: Marketek, Inc. analysis of business permits issued by City of Atlanta

Exhibit 10

BUSINESSES AND EMPLOYMENT WITHIN THE STUDY AREA AND WITHIN A 1-MILE, 2-MILE AND 3-MILE RADIUS
2006

Industry	1-Mile Radius		2-Mile Radius		3-Mile Radius	
	Businesses	Employees	Businesses	Employees	Businesses	Employees
	%	%	%	%	%	%
Agriculture & Mining	0.0%	0.0%	0.7%	0.4%	0.9%	0.3%
Construction	7.5%	2.1%	4.1%	2.4%	4.1%	2.5%
Manufacturing	1.6%	1.0%	2.8%	6.7%	3.7%	6.5%
Transportation	1.1%	0.7%	2.4%	2.5%	2.3%	1.7%
Communication	0.5%	0.2%	0.9%	1.0%	1.1%	3.0%
Electric/Gas/Water/Sanitary Services	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%
Wholesale Trade	2.2%	0.6%	4.1%	10.1%	6.5%	7.9%
Retail Trade	23.1%	15.8%	22.2%	16.3%	21.6%	10.6%
<i>Home Improvement</i>	0.5%	8.4%	0.5%	2.2%	0.9%	0.8%
<i>General Merchandise</i>	0.5%	0.2%	0.6%	0.4%	0.3%	0.1%
<i>Food Stores</i>	7.5%	2.5%	4.8%	3.8%	2.6%	1.3%
<i>Auto Dealers/Gas Stations/Auto Aftermart</i>	4.3%	1.7%	2.9%	1.4%	1.6%	0.5%
<i>Apparel & Accessories</i>	0.5%	0.2%	1.7%	0.6%	2.9%	0.8%
<i>Furniture & Home Furnishings</i>	0.5%	0.1%	2.1%	0.6%	2.3%	0.8%
<i>Eating & Drinking Establishments</i>	5.4%	2.4%	5.0%	4.9%	5.5%	3.8%
<i>Miscellaneous Retail</i>	3.8%	0.5%	4.7%	2.5%	5.4%	2.3%
Finance/Insurance/Real Estate	10.2%	5.8%	7.5%	3.6%	7.4%	3.7%
<i>Banks and Savings/Lending</i>	0.5%	0.6%	0.9%	0.5%	1.6%	0.7%
<i>Securities Brokers</i>	0.0%	0.0%	0.2%	0.1%	0.3%	0.2%
<i>Insurance Carriers and Agents</i>	0.0%	0.0%	1.3%	0.4%	1.1%	0.4%
<i>Real Estate/Holding/Other Investment</i>	9.7%	5.3%	5.1%	2.7%	4.4%	2.3%
Services	48.4%	58.5%	51.6%	50.8%	42.6%	39.5%
Hotels & Lodging	0.0%	0.0%	0.1%	0.2%	0.3%	2.5%
<i>Automotive Repair, Services, Parking</i>	2.7%	0.2%	3.8%	0.9%	3.3%	0.9%
<i>Motion Picture & Amusements</i>	2.7%	1.7%	2.8%	1.2%	2.3%	0.9%
Health	2.2%	12.8%	3.0%	4.0%	3.0%	2.8%
Legal	1.6%	0.6%	1.3%	0.4%	4.5%	2.3%
<i>Education Institutions & Libraries</i>	5.4%	20.9%	4.2%	23.0%	2.0%	15.2%
<i>Other Services</i>	33.9%	22.4%	36.4%	21.3%	27.2%	14.9%
Government	4.3%	15.1%	2.3%	6.1%	8.9%	23.8%
Other	1.1%	0.1%	1.2%	0.1%	1.0%	0.4%
Total	186	1,784	1,061	9,712	4,552	72,022
Daytime/Nighttime Population Ratio	0.11		0.18		0.67	

Note: Distance measured from the intersection of Simpson Road and West Lake Avenue.

Source: ESRI BIS

Exhibit 11

SUMMARY CHARACTERISTICS OF EXISTING HOUSING UNITS
Study Area, Corridor Neighborhood Area, Residential Market Area, City of Atlanta and Atlanta MSA

Housing Characteristic	Study Area	Corridor Neighborhood Area	Residential Market Area	City of Atlanta	Atlanta MSA
Occupied Units	1,153	23,605	343,411	180,919	1,884,431
Owner-Occupied	29%	34%	47%	45%	69%
Renter-Occupied	71%	66%	53%	55%	31%
Owner-Occ Unit Value					
Median	\$88,670	\$91,760	\$177,122	\$177,774	\$178,695
Average	\$103,083	\$109,664	\$282,692	\$311,124	\$229,711
Contract Rent					
Median	\$384	\$392	\$595	\$518	\$640
Average	\$381	\$419	\$618	\$566	\$638
Occupied Units in Structure					
Single Family Detached	35.8%	43.5%	46.6%	44.6%	67.0%
Single Family Attached	3.0%	2.6%	4.5%	4.1%	3.5%
2-4 Units	20.0%	11.3%	10.6%	11.2%	6.2%
5-9 Units	14.5%	12.7%	10.8%	10.3%	6.8%
10+ Units	26.6%	29.5%	26.6%	29.3%	12.5%
Mobile Home	0.0%	0.2%	0.7%	0.4%	4.4%
Other	0.3%	0.1%	0.0%	0.0%	0.0%
Median Year Structure Built	1959	1960	1967	1962	1982

*Note: Occupied units and owner-occupied unit value are 2006 estimates.

Contract rent, units in structure and median year built figures are 2000 figures.

Source: ESRI BIS

Exhibit 12

SUMMARY CHARACTERISTICS OF EXISTING HOUSING UNITS
Study Area, Corridor Neighborhood Area and Redevelopment Node Areas

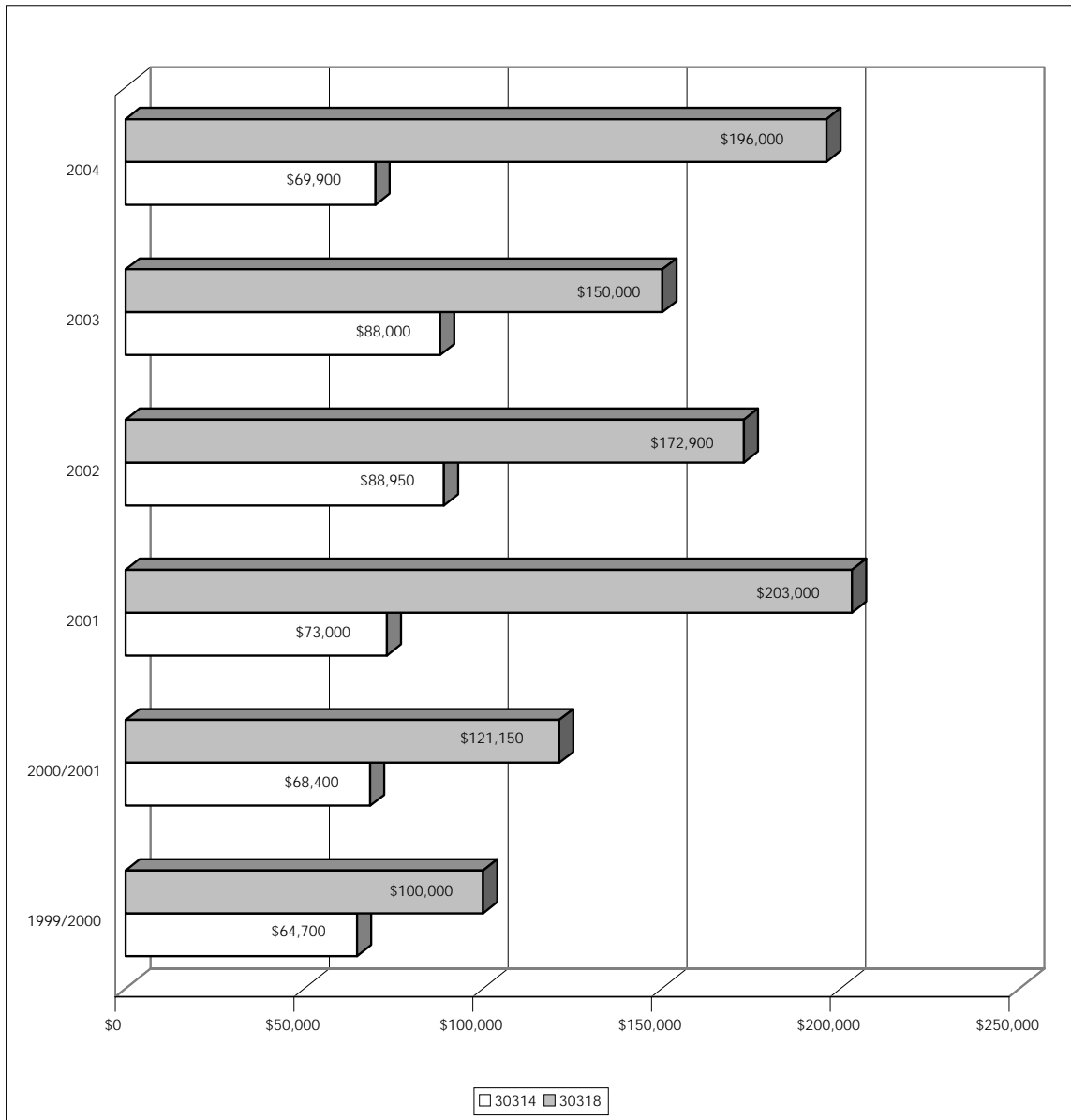
Housing Characteristic	Study Area	Corridor Neighborhood Area	Redevelopment Node Area		
			Lowery	Chappell/Beltline	West Lake
Occupied Units	1,153	23,605	2,098	2,110	1,920
Owner-Occupied	29%	34%	30%	30%	37%
Renter-Occupied	71%	66%	70%	70%	63%
Owner-Occ Unit Value					
Median	\$88,670	\$91,760	\$68,579	\$87,774	\$87,413
Average	\$103,083	\$109,664	\$88,398	\$90,720	\$84,907
Contract Rent					
Median	\$384	\$392	\$347	\$375	\$380
Average	\$381	\$419	\$357	\$373	\$378
Occupied Units in Structure					
Single Family Detached	35.8%	43.5%	47.4%	44.3%	48.3%
Single Family Attached	3.0%	2.6%	5.3%	1.4%	1.7%
2-4 Units	20.0%	11.3%	17.5%	13.7%	17.5%
5-9 Units	14.5%	12.7%	17.0%	12.5%	9.2%
10+ Units	26.6%	29.5%	12.3%	28.0%	22.9%
Mobile Home	0.0%	0.2%	0.0%	0.0%	0.0%
Other	0.3%	0.1%	0.6%	0.0%	0.1%
Median Year Structure Built	1959	1960	1955	1960	1959

*Note: Occupied units and owner-occupied unit value are 2006 estimates. Contract rent, units in structure and median year built figures are 2000 figures.

Source: ESRI BIS

Exhibit 13

MEDIAN SALE PRICE: ALL HOME SALES
30318 and 30314 Zip Codes

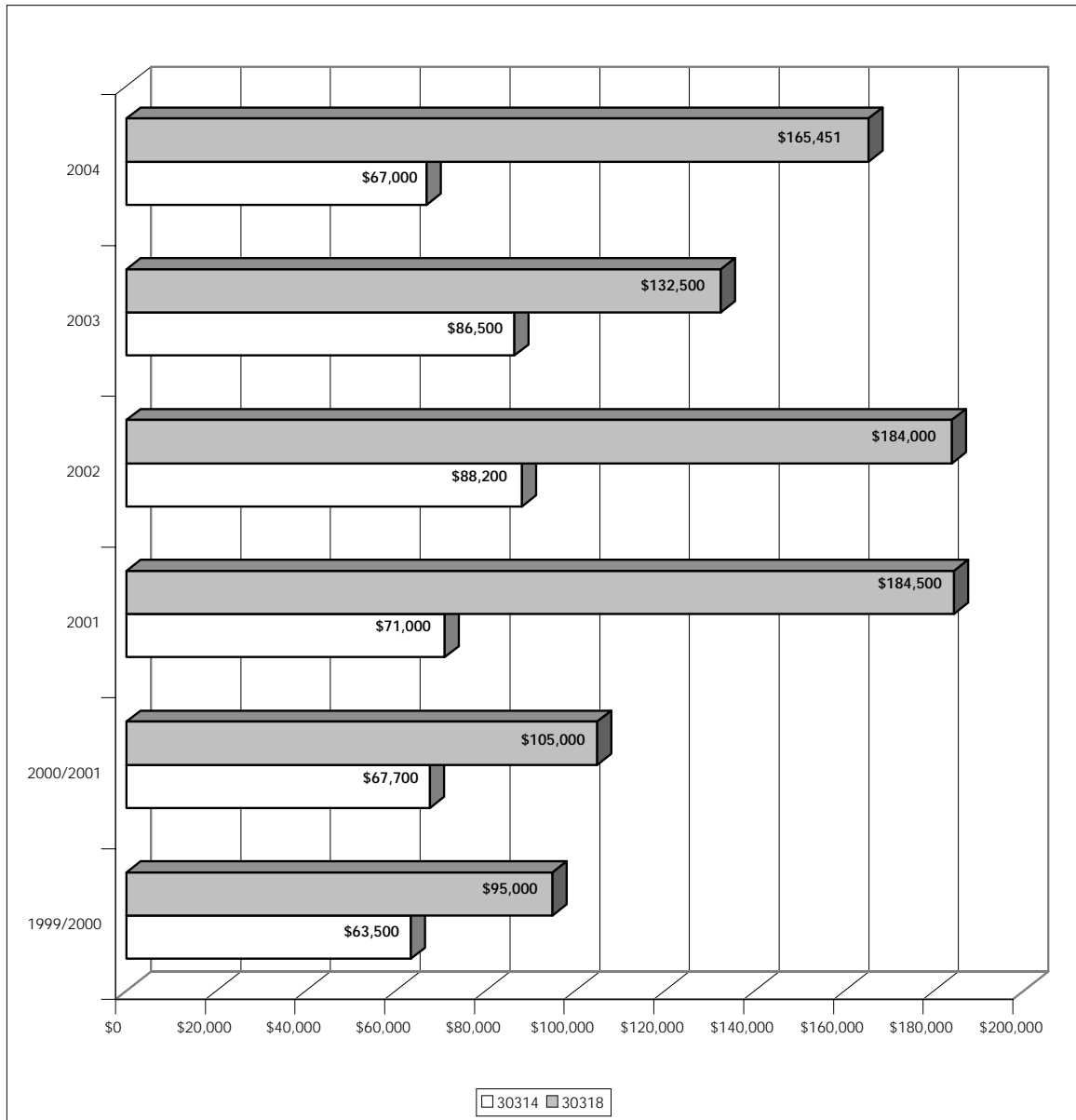


Note: 2001 to 2004 figures include sales that occurred in 2001 to 2004 calendar years, respectively; 2000/2001 figures include sales between April 2000 through March 2001; 1999/2000 figures include sales between July 1999 and June 2000.

Source: Atlanta Journal Constitution; Smart Numbers.

Exhibit 14

MEDIAN SALE PRICE: EXISTING HOME SALES
30318 and 30314 Zip Codes

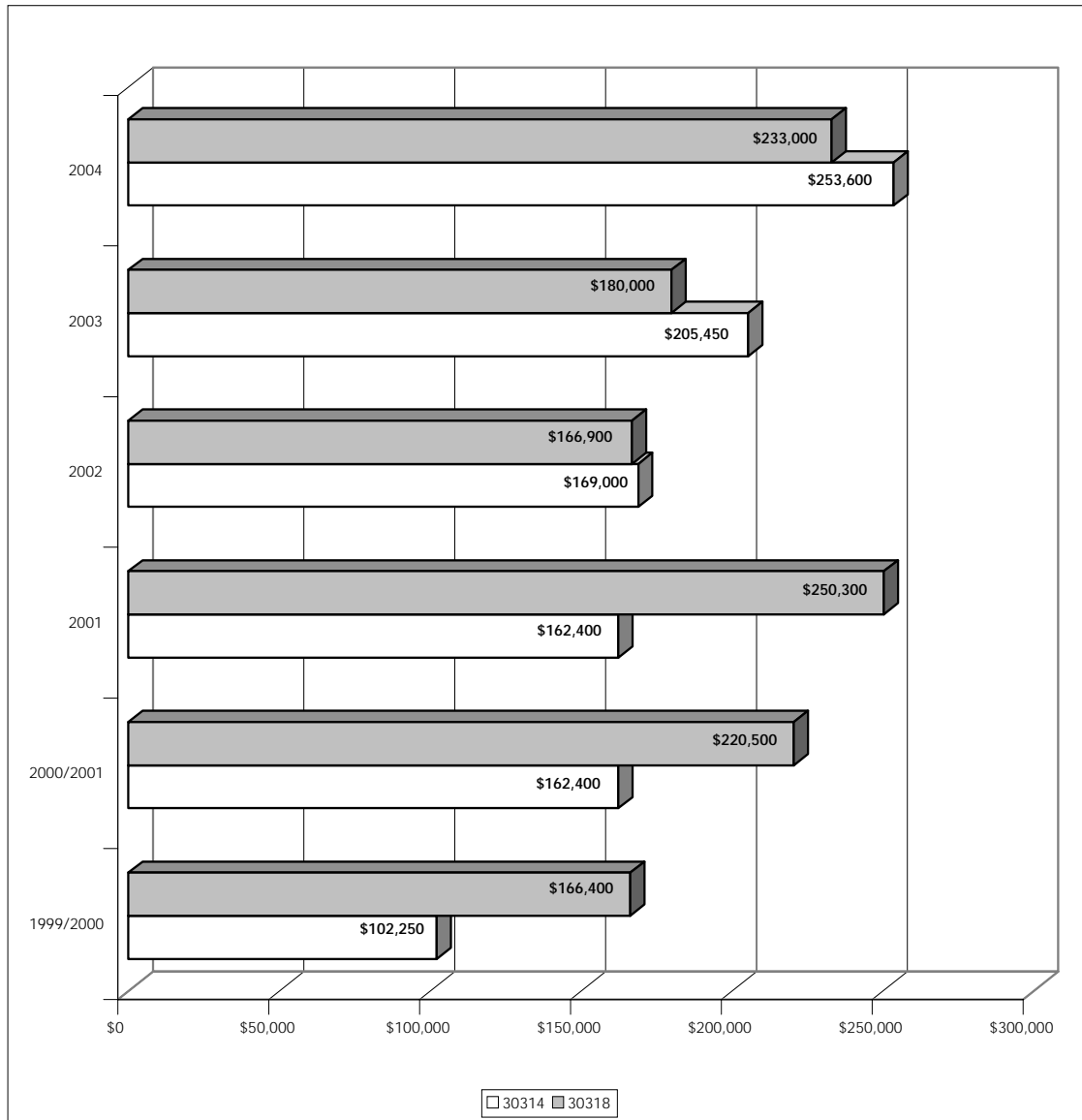


Note: 2001 to 2004 figures include sales that occurred in 2001 to 2004 calendar years, respectively; 2000/2001 figures include sales between April 2000 through March 2001; 1999/2000 figures include sales between July 1999 and June 2000.

Source: Atlanta Journal Constitution; Smart Numbers.

Exhibit 15

MEDIAN SALE PRICE: NEW HOME SALES
30318 and 30314 Zip Codes

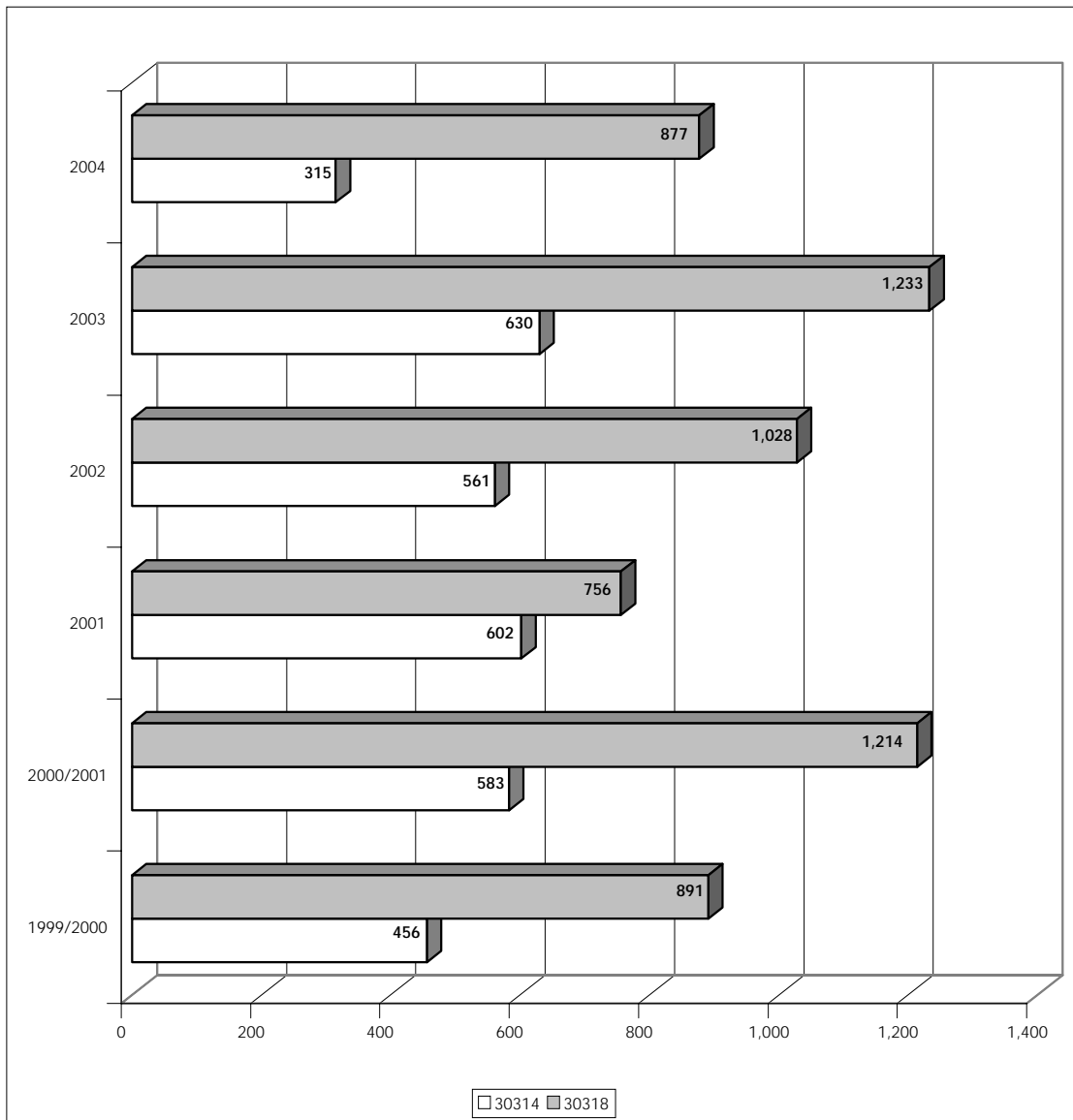


Note: 2001 to 2004 figures include sales that occurred in 2001 to 2004 calendar years, respectively; 2000/2001 figures include sales between April 2000 through March 2001; 1999/2000 figures include sales between July 1999 and June 2000.

Source: Atlanta Journal Constitution; Smart Numbers.

Exhibit 16

NUMBER OF SALES: ALL HOMES
30318 and 30314 Zip Codes

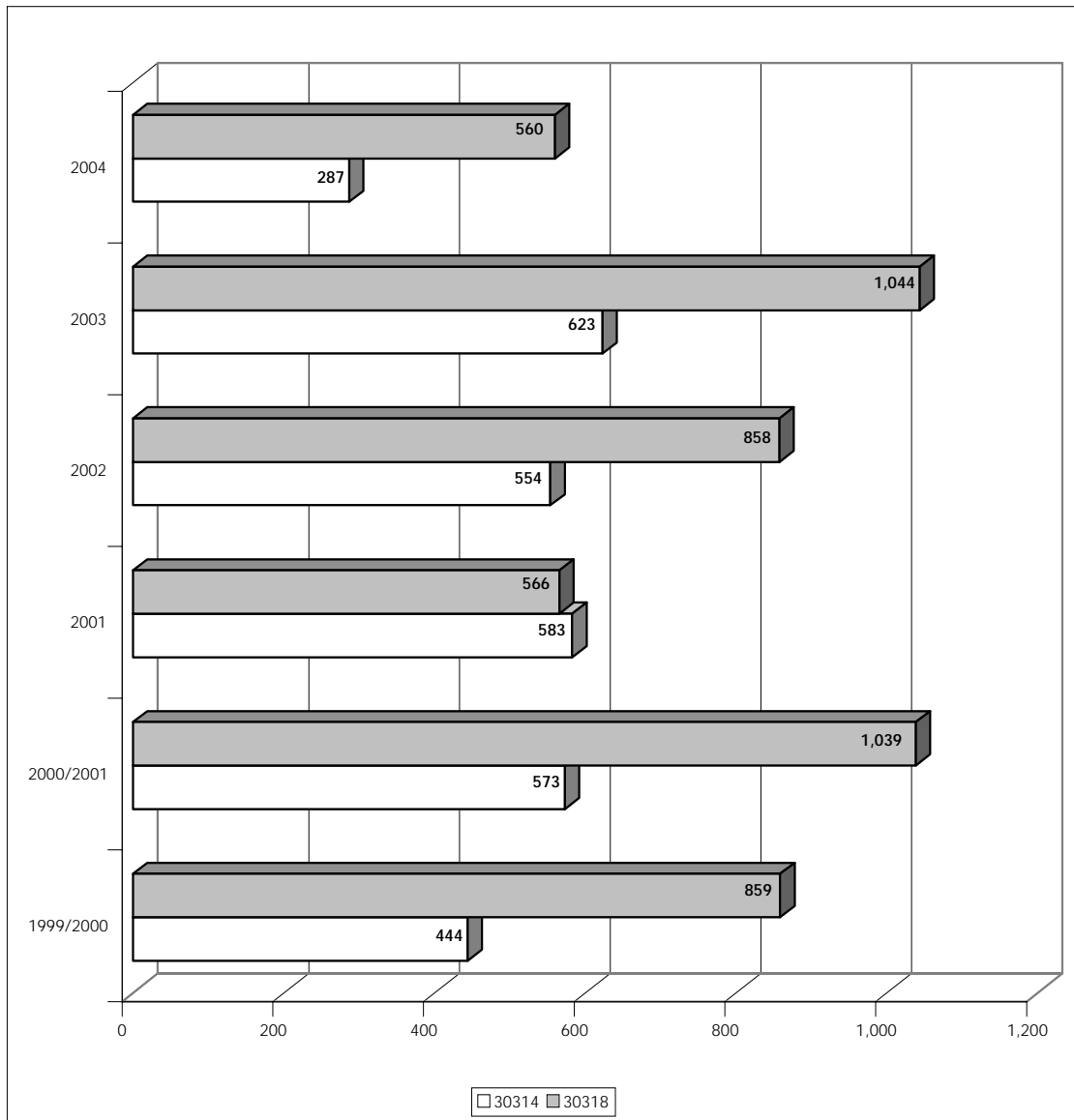


Note: 2001 to 2004 figures include sales that occurred in 2001 to 2004 calendar years, respectively; 2000/2001 figures include sales between April 2000 through March 2001; 1999/2000 figures include sales between July 1999 and June 2000.

Source: Atlanta Journal Constitution; Smart Numbers.

Exhibit 17

NUMBER OF SALES: EXISTING HOMES
30318 and 30314 Zip Codes

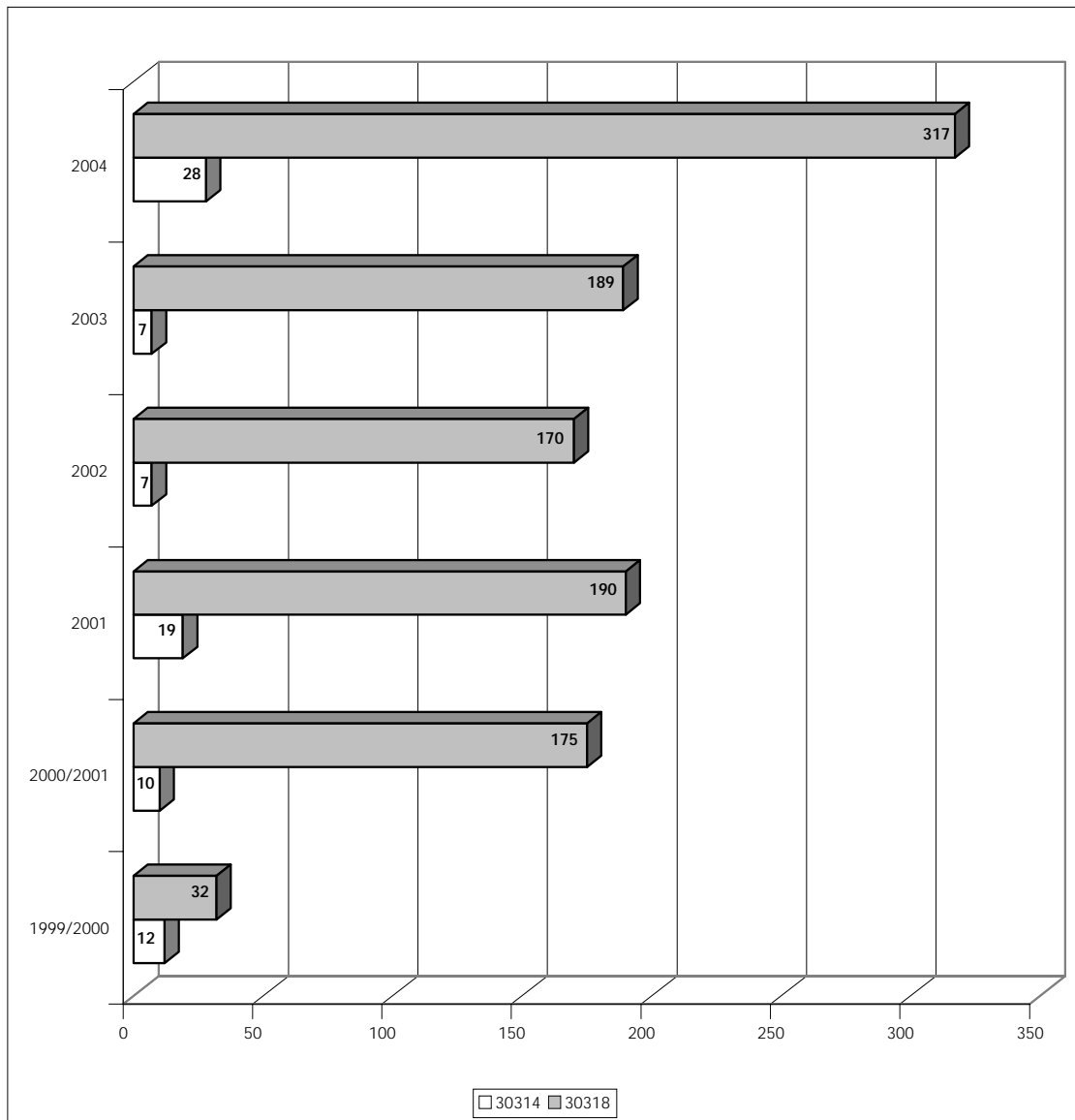


Note: 2001 to 2004 figures include sales that occurred in 2001 to 2004 calendar years, respectively; 2000/2001 figures include sales between April 2000 through March 2001; 1999/2000 figures include sales between July 1999 and June 2000.

Source: Atlanta Journal Constitution; Smart Numbers.

Exhibit 18

NUMBER OF SALES: NEW HOMES
30318 and 30314 Zip Codes

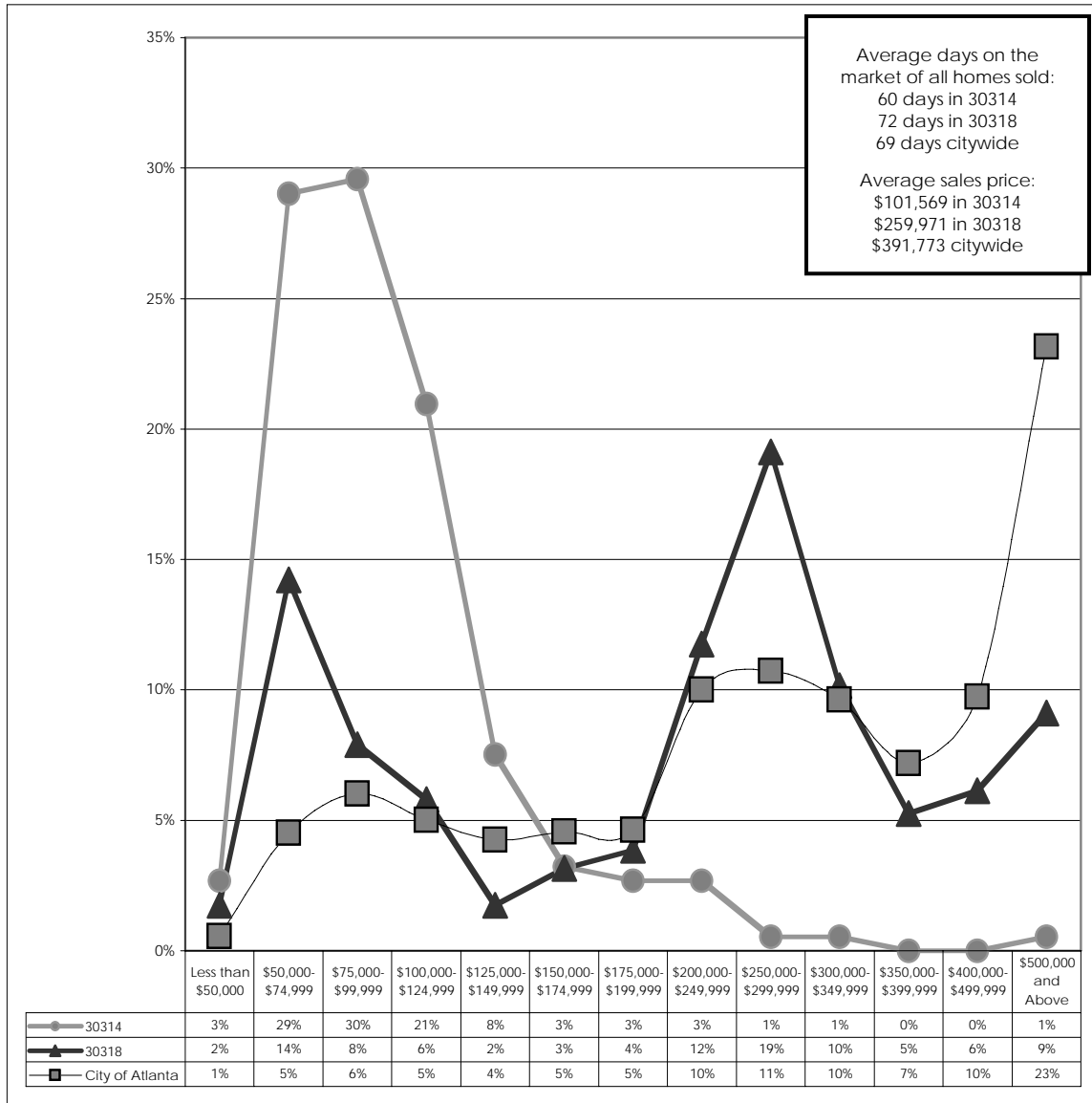


Note: 2001 to 2004 figures include sales that occurred in 2001 to 2004 calendar years, respectively; 2000/2001 figures include sales between April 2000 through March 2001; 1999/2000 figures include sales between July 1999 and June 2000.

Source: Atlanta Journal Constitution; Smart Numbers.

Exhibit 19

2005 HOME SALES
30314 and 30318 Zip Codes and City of Atlanta



Note: Includes MLS listed homes that closed from January 1, 2005 through December 31, 2005.

Source: First Multiple Listing Service

Exhibit 20

SUMMARY OF SELECTED FOR-SALE PROJECTS
Competitive Market Area
Winter 2006

Development <i>Location</i> <i>Unit Type</i>	Total Units	Unit Price Range		Unit Size Range		Price/SF (\$)	Sales	
		From	To	From	To	To	Total	/Mo
Washington Heights (2005) Mayson Turner Rd Near Washington Park Atlanta JLW Homes Detached Single Family	11	\$245,000	\$265,000	2,000	2,200	123-120	3	0.8
Craftsman inspired bungalow homes near Washington Park. Chairrail, wainscoting, hardwood floors, corian counters, two-car garage, sodded front yards, hardiplank exterior. Three bedroom. JLW typically builds on small numbers of lots. Sister project								
Collier Pointe (2004) Burton Road @ H.E. Holmes Station JLW Homes Townhomes	40 ph3	\$159,000	\$182,000	1,243	1,514	128-120	33*	3.6
198 two- and three-bedroom townhomes. Tennis, pool, clubhouse. Walking distance to the H.E. Holmes MARTA station. Two and 3 bedroom.								
West Highlands (2004) Stanfield Ave @ Perry Blvd BrockBuilt Single Family Detached,	West Highlands is a major mixed-used redevelopment project that, when complete, will offer more than 2,000 mixed income rental and for-sale units. BrockBuilt plans to build more than 1,000 single family homes at West Highlands. Craftsman architecture, front porches, security systems, stainless appliances, Hardiplank exterior, crown moldings, amphitheater, walking trails, future YMCA.							
Atlantic Station (2004) 17th Street South of I-75/85 Lane Company Element, ATL Lofts, Art Foundry Condominium/Lofts	First 70 units of Element sold out in one night. 322 Element condominium units; 347 Art Foundry condominium units, sold; 303 ATL Loft units, sold 29 units per month, 85% sold. Prices range widely from \$300,000 to \$1 million; new highrise, 12 Atlantic Station which has hotel and condo units opens this spring. Beazer is developing 2-unit townhomes. Upon completion, Atlantic Station will have 6 million square feet of class A office space, 5,000 residential units (for-sale and rental), 1,000 hotel rooms and 1.5 million square feet of retail and entertainment space.							
M West (2004) Marietta Blvd at Elaine Ave Winter Properties Contemporary Loft/Townhomes	183	\$199,900	\$354,900	1,200	1,800	\$167-197	181	15.1
Contemporary two-bedroom loft-townhomes. Concrete floors and wood floors, granite countertops, pool, fitness center, adjacent nature preserve, community center. Development also includes 10,500 square feet of modern european designed retail space,								
Laurel Townhomes (2006) Westview Drive at Wellington St. Robinson Realty Group Three-level townhomes	13	\$184,900	\$190,900	1,700	1,700	\$109-112	4UC	2.0
Three bedroom, three-bath townhomes.								

Source: Marketek, Inc.

Exhibit 21

SUMMARY CHARACTERISTICS OF SELECTED APARTMENT COMMUNITIES
Winter 2006

Site	Units/ Mix	Market Rent		Square Feet		Rent/ Sq Ft	Structure Type	Occ Rate	Year Built	Amenities											Comments
		Low	High	Low	High					A	B/P	C	CA	FC	I	L	P	S	WD	WDC	
1 Park District Atlantic Station One Bedroom Two Bedroom	231	\$1,125 \$1,430	\$1,430 \$2,125	775 1,002	998 1,449	\$1.44 \$1.45	4-story flats & TH	99%	2004		X	X	X	X	X	X	X	X		X	Business center, concierge serv. 20% Bond. Diverse mix of families, students
2 West 14th Street Lofts One Bedroom Two Bedroom Three Bedroom Four Bedroom	40	\$650 \$1,000 \$1,200 \$1,500	\$1,000 \$1,300 \$1,500 \$2,500	500 1,000 1,300 1,500	1,000 1,300 1,500 4,000	\$1.10 \$1.00 \$0.96 \$0.73	Adaptive Reuse Former Warehouse	80%	1991			X								X	Live/work adaptive reuse but mainly professionals, often creatives.
3 1016 Lofts (Alta West) Studio One Bedroom Two Bedroom	265	\$875 \$975 \$1,345	\$880 \$1,380 \$1,595	630 720 972	649 1,404 1,560	\$1.37 \$1.11 \$1.16	Midrise Flats & Live/Work	97%	2003	X	X	X	X	X	X		X	X	X		Mostly young professionals - creatives - and students. Formerly Alta West.
4 M Street Apartments Studio One Bedroom Two Bedroom Three Bedroom	308	\$740 \$899 \$1,050 \$1,400	\$765 \$1,120 \$1,555 \$1,450	561 831 955 1,275	561 992 1,527 1,292	\$1.34 \$1.11 \$1.05 \$1.11	4-story flats and TH	92%	2004		X	X	X	X	X	X	X	X			Young professionals & students. Three bedroom units leased first. Average of 26 units/month. 20% affordable set aside.
5 Intown Lofts & Apartments One Bedroom Two Bedroom	75	\$770 \$1,190	\$1,290 \$1,390	730 985	1,000 1,260	\$1.19 \$1.15	Loft TH & Flats	87%	2002	X	X	X	X	X	X	X	X			X	Intown, Legacy and Stonewall have opened in the past three years. Intown and Stonewall "loft" character while Legacy offers more traditional layout.
6 Legacy Lofts One Bedroom Two Bedroom	18	\$1,250 \$1,300	\$1,575 \$1,755	1,035 1,200	1,300 1,380	\$1.21 \$1.18	Loft TH & Flats	89%	2002	X	X	X		X		X	X			X	Tenants are mostly AU students and young, single professionals. Guarded/secured/unground parking, shared facilities.
7 Stonewall Apartments One Bedroom Two Bedroom Three Bedroom	38	\$841 \$1,198 \$2,228	\$1,195 \$1,495 \$2,228	650 1,200 1,500	1,030 1,400 1,500	\$1.21 \$1.04 \$1.49	Loft TH & Flats	90%	2004	X	X	X		X		X	X			X	
8 Village at Castleberry One Bedroom Two Bedroom Three Bedroom	450	\$820 \$950 \$1,375	\$795 \$1,325 \$1,375	710 890 1,138	799 1,188 1,138	\$1.07 \$1.09 \$1.21	2- & 3-story townhome	94%	1999	X	X	X	X	X			X	X	X		Students and professionals. 40/20/40*.
9 Magnolia Park One Bedroom Two Bedroom Three Bedroom	400	\$740 \$895 \$1,030	\$785 \$950 \$1,085	600 870 1,080	710 955 1,290	\$1.16 \$1.01 \$0.89	2- & 3-story townhomes	95%	1999	X	X	X	X	X			X		X		Controlled access, tennis. 40/20/40*.
10 Alta Point One Bedroom Two Bedroom Three Bedroom	230	\$675 \$825 \$900	\$760 \$850 \$925	803 1,103 1,277	803 1,103 1,277	\$0.89 \$0.76 \$0.71	3-story flats	96%	2004		X	X	X	X	X	X	X			X	Business center, Car care center. 0/45/55*.
11 Peaks at Martin Luther King One Bedroom Two Bedroom Three Bedroom	183	\$675 \$825 \$900	\$760 \$880 \$950	847 1,162 1,394	847 1,449 1,394	\$0.85 \$0.65 \$0.66	3-story flats	98%	2004		X	X	X	X	X	X	X			X	Public housing/tax credits. Business center, concierge serv. 20% Bond. 25% of units are market rate.
12 Gateway at Northside One Bedroom Two Bedroom Three Bedroom	340	\$670 \$750 \$875	\$795 \$1,300 \$963	729 1,040 1,211	751 1,076 1,234	\$0.99 \$0.97 \$0.75	4-story flats	96%	2004	X	X	X	X	X	X	X	X		X		Tax credits. Business center, concierge serv.
13 Metropoint Lofts Two Bedroom Four Bedroom	376	\$710 \$665	\$710 \$665	934 1,527	934 1,527	\$0.76 \$0.44	8-story flats	60%	2005	X		X	X	X	X	X	X				Designed for students. Residents choose or are matched with roommates but pay only for their bedroom and bathroom.

A: Intrusion Alarm

CA: Controlled Access

L: Laundry Room on Site

TH: Townhouse

B/P: Balcony/Patio

FC: Fitness Center

P: Pool

WD: Washer & Dryer

C: Cable Ready

I: High Speed Internet Available

S: Extra Storage Available

WDC: Washer & Dryer Connections

Note: Projects in bold are located in the study area

* Denotes ratio of units that are reserved for public housing, tax credit and market rate, respectively

Source: Marketek, Inc.

Exhibit 22

POTENTIAL ANNUAL DEMAND ANALYSIS FOR FOR-SALE UNITS
Residential Market Area
2006-2016

New Household Demand		Turnover	
Annual New Households (1)	5,250	Total Households (1)	343,411
Owner Propensity	69%	Owner Propensity	47%
Number	3,623	Number	161,403
Target Market Adjustment (2)	30%	Turnover Rate (5)	12%
Number	1,087	Number	19,368
Income Qualified (3)	66%	Target Market Adjustment (6)	40%
Number	717	Number	7,747
Household Size Qualified (4)	73%	Income Qualified (7)	55%
Sub-Total	524	Number	4,261
		Household Size Qualified (8)	81%
		Sub-Total	3,451
Adjustment Factor (9)			10%
Total Potential Annual Market Demand			4,373

1. ESRI BIS
2. Based on Tapestry data, estimated proportion of new households to whom the proposed type of housing would appeal.
3. Estimated proportion of new households with annual incomes of \$45,000 and greater.
4. Estimated proportion of new households with 1, 2 and 3 persons.
5. U.S. Bureau of the Census estimate of the number of owner households that turnover within a 15 month period.
6. Based on Tapestry data, estimated proportion of existing market area households to whom the proposed type of housing would appeal.
7. Estimated proportion of existing households with annual incomes of \$45,000 and greater.
8. Estimated proportion of existing households with 1, 2 and 3 persons.
9. Adjustment for households that fall outside of the model.

Sources: Marketek, Inc.; Census 2000; ESRI BIS

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Exhibit 23

POTENTIAL ANNUAL DEMAND ANALYSIS FOR RENTAL UNITS
Residential Market Area
2006-2016

New Household Demand		Turnover	
Annual New Households (1)	5,250	Total Households (1)	343,411
Renter Propensity	31%	Renter Propensity	53%
Number	1,628	Number	182,008
Target Market Adjustment(2)	30%	Turnover Rate (5)	45%
Number	488	Number	81,904
Income Qualified (3)	27%	Target Market Adjustment(6)	40%
Number	132	Number	32,761
Household Size Qualified (4)	73%	Income Qualified (7)	26%
Subtotal	96	Number	8,518
		Household Size Qualified (8)	81%
		Sub-Total	6,900
Adjustment Factor (9)			10%
Total Potential Annual Market Demand			7,695

1. ESRI BIS
2. Based on Tapestry data, estimated proportion of new households to whom the proposed type of housing would appeal.
3. Estimated proportion of new households with annual incomes of \$30,000-\$60,000.
4. Estimated proportion of new households with 1, 2 and 3 persons.
5. U.S. Bureau of the Census estimate of the number of renter households that turnover within a 15 month period.
6. Based on Tapestry data, estimated proportion of existing market area households to whom the proposed type of housing would appeal.
7. Estimated proportion of existing households with annual incomes of \$30,000-\$60,000.
8. Estimated proportion of existing households with 1, 2 and 3 persons.
9. Adjustment for households that fall outside of the model.

Sources: Marketek, Inc.; Census 2000; ESRI BIS

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EXHIBIT 24

POTENTIAL SUPPORTABLE FOR-SALE AND RENTAL PRODUCT
Residential Market Area and Study Area Capture
2006-2016

Year	For Sale Units			Renter Units			Total Study Area Capture		
	Potential Demand	Study Area Capture		Potential Demand	Study Area Capture		For-Sale & Rental Units	Percent For-Sale Units	Percent Rental Units
	Units (1)	Rate	Units	Units (2)	Rate	Units			
Year 1	4,373	3.0%	131	7,695	3.5%	269	401	32.8%	67.2%
Year 2	4,373	3.0%	131	7,695	3.5%	269	401	32.8%	67.2%
Year 3	4,373	3.0%	131	7,695	3.5%	269	401	32.8%	67.2%
Year 4	4,373	3.0%	131	7,695	3.5%	269	401	32.8%	67.2%
Year 5	4,373	3.5%	153	7,695	4.0%	308	461	33.2%	66.8%
Year 6	4,373	3.5%	153	7,695	4.0%	308	461	33.2%	66.8%
Year 7	4,373	3.5%	153	7,695	4.0%	308	461	33.2%	66.8%
Year 8	4,373	3.5%	153	7,695	4.0%	308	461	33.2%	66.8%
Year 9	4,373	4.0%	175	7,695	4.5%	346	521	33.6%	66.4%
Year 10	4,373	4.0%	175	7,695	4.5%	346	521	33.6%	66.4%
Total	43,725	3.4%	1,487	76,954	3.9%	3,001	4,488	33.1%	66.9%

1. As shown in Exhibit 22
2. As shown in Exhibit 23

Source: Marketek, Inc.

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Exhibit 25

SUMMARY CHARACTERISTICS OF SELECT SHOPPING CENTERS WITHIN A 10-MINUTE DRIVE OF THE STUDY AREA
Winter 2006

Center/Location Location	Type	Distance (Miles)	GLA	Vacancies		Year Built	Stores (Num)	Anchors	Sq. Ft. Rate	Observations
				Rate	Space					
Cascade Crossing - Phase I 3695 Cascade Road	N	6.9	59,000	0%	0	1995	8	Publix	\$17 NNN	Clean and well-kept; Busy: Just outside of I-285
Cascade Crossing - Phase II 3695 Cascade Road	N	6.9	45,416	0%	0	1997	15	Piedmont Physicians Center	\$20 NNN	Clean and well-kept; Busy
3680 Cascade Road 3680 Cascade Road	S	6.9	7,800	0%	0	1998	4	Verizon Wireless	NA	Small strip center amongst larger centers
Citi-Center at West End 590 Cascade Avenue	N	2.3	105,000	0%	0	Unknown	10	Kroger	\$15 N	Looks new; Clean and well- maintained; Busy
Gordan Plaza 2466-2482 MLK Jr. Drive	S	3.0	20,158	0%	0	1963	13	Package Store; Beauty Shop	\$9-\$12 NNN	Old and run-down but still busy and no vacancy
Hightower Station 2636 MLK Jr. Drive	S	3.3	57,100	4%	1	1989	20	GA Dept. of Labor, Social Security Administration, Fulton County Tax Commissioner	\$17 N	Well-kept with landscaped parking lot; Contains a few chain restaurants
Historic Westside Village 825 MLK Jr. Drive	C	1.9	37,000	0%	0	2002	5	Publix; Blockbuster Video	\$18-\$24 NNN	Well-maintained and busy; Serves AUC students
The Mall West End 810-850 Oak Street	RM	3.2	154,544	NA	NA	1965	60	Max Way	\$8-\$15 NNN	Aging regional mall

*Measured in distance from intersection of Simpson Road and Woodlawn Avenue.

Key:

C: Community Shopping Center
N: Neighborhood Shopping Center
RM: Regional Mall
S: Retail Strip Center

Source: Marketek, Inc.

Exhibit 26

SUMMARY OF MERCHANDISE AND SERVICE CATEGORIES

Merchandise/Service Category	Types of Goods/Services
Apparel	Women's Apparel, Men's Apparel, Children's, Footwear, Watches & Jewelry
Home Furnishings	Furniture, Floor Coverings, Major and Small Appliances, Household Textiles, Floor Coverings, PC Software and Hardware, Housewares, Dinnerware, Telephones
Home Improvement	Maintenance and Remodeling Materials, Lawn & Garden
Misc. Specialty Retail	Pet Care, Books & Periodicals, Sporting Equipment, Toys & Hobbies, Video Cassettes & Games, TV/VCR/Cameras, Audio Equipment, Luggage, Eyeglasses
Groceries	Food at Home, Nonalcoholic Beverages at Home, Alcoholic Beverages, Smoking Products
Restaurants	Food Away From Home, Alcoholic Beverages
Entertainment	Admission to Movie/Theater/Opera/Ballet, Recreational Lessons, Participation in Clubs
Personal Services	Shoe Repair, Video Rental, Laundry & Dry Cleaning, Alterations, Clothing Rental & Storage, Watch & Jewelry Repair, Photo Processing & Supplies, Child Care

Source: ESRI BIS

Exhibit 27

RETAIL EXPENDITURE POTENTIAL
Retail Market Area
2006-2016

Merchandise or Service Category	Target Sales (\$/SF)	2006 Retail Potential		2011 Retail Potential		2016 Retail Potential	
		Sales	Space (SF)	Sales	Space (SF)	Sales	Space (SF)
Apparel	\$209	\$194,911,272	932,590	\$225,733,174	1,080,063	\$262,695,392	1,256,916
Home Furnishings	\$199	\$147,928,680	743,360	\$171,321,084	860,910	\$199,373,706	1,001,878
Home Improvement	\$140	\$93,189,528	665,639	\$107,925,866	770,899	\$125,597,968	897,128
Misc. Specialty Retail	\$216	\$216,297,216	1,001,376	\$250,500,941	1,159,727	\$291,518,707	1,349,624
Shoppers Goods		\$652,326,696	3,342,966	\$755,481,065	3,871,599	\$879,185,773	4,505,546
Grocery	\$390	\$633,600,144	1,624,616	\$733,793,227	1,881,521	\$853,946,705	2,189,607
Health & Personal Care	\$365	\$116,791,632	319,977	\$135,260,242	370,576	\$157,408,154	431,255
Convenience Goods		\$750,391,776	1,944,593	\$869,053,469	2,252,097	\$1,011,354,859	2,620,862
Restaurants	\$263	\$397,246,680	1,510,444	\$460,064,484	1,749,295	\$535,396,806	2,035,729
Entertainment	\$90	\$43,436,736	482,630	\$50,305,517	558,950	\$58,542,691	650,474
Personal Services	\$151	\$116,348,400	770,519	\$134,746,920	892,364	\$156,810,780	1,038,482
Total		\$1,959,750,288	8,051,152	\$2,269,651,454	9,324,304	\$2,641,290,910	10,851,093
Five Year Net Gain				\$309,901,166	1,273,153	\$371,639,455	1,526,789

Note: Household expenditures are adjusted to reflect increasing incomes of residents moving into the Retail Market Area.

Target sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers."

Sources: ESRI BIS; Urban Land Institute; Marketek, Inc.

? 2006 by Marketek, Inc.

Exhibit 28

SUMMARY OF NEW POTENTIAL SUPPORTABLE RETAIL SPACE IN THE STUDY AREA
2006-2016

Merchandise/Service Category	Existing Unmet Demand	Study Area New Supportable Retail Space				Total Supportable Retail Space
	2006	2006-2011		2011-2016		
	Sq Ft	Capture	Sq Ft	Capture	Sq Ft	
Shoppers Goods						
Apparel	7,495	6%	8,637	7%	12,430	28,562
Home Furnishings	6,185	4%	5,184	5%	7,460	18,828
Home Improvement	5,240	7%	7,368	8%	10,603	23,212
Misc. Specialty Retail	8,039	4%	5,970	5%	8,591	22,599
Subtotal	26,959	5%	27,159	6%	39,083	93,201
Convenience Goods						
Grocery	13,357	7%	19,168	8%	25,541	58,067
Health & Personal Care	2,747	17%	8,778	19%	11,696	23,221
Subtotal	16,104	9%	27,946	10%	37,237	81,287
Restaurants	12,165	5%	11,943	7%	20,050	44,158
Entertainment	3,698	6%	4,579	7%	6,407	14,684
Personal Services	5,656	9%	10,966	10%	14,612	31,234
Total	64,582	6%	82,593	8%	117,389	264,564

Note: "Existing Unmet Demand" is based on the fact that the Study Area is currently underserved by retailers and that community residents must travel outside of the community to satisfy the bulk of their retail needs. Estimated unmet demand assumes that 20% of potential expenditures by Corridor Neighborhood Area residents are leaking out of the community, 30% of which could be supported by Study Area businesses. Estimates do not include demand generated by area employees and the proposed Beltline.

Source: Marketek, Inc.

? 2006 by Marketek, Inc.

Exhibit 29

TYPICAL SIZE OF SELECTED BUSINESSES

Merchandise or Service Category/Business	Median	National	Local Chain	Independent
Specialty Retail				
Appliances	5,956	6,292	5,911	~
Art Gallery	1,802	~	1,802	1,907
Arts/Crafts Supplies	8,928	20,957	~	3,070
Beauty Supplies	1,807	1,634	2,450	1,829
Bike Shop	3,440	~	~	2,596
Bookstore	10,093	23,000	9,990	2,740
Cameras	2,000	2,000	~	~
Children's Wear	3,913	4,879	3,054	2,105
Family Shoe Store	4,000	4,113	5,100	2,460
Family Wear	8,000	8,500	3,474	5,132
Gift/Cards	4,200	4,900	3,780	1,653
Hardware	13,200	13,900	~	~
Home Accessories	7,595	10,215	5,365	2,462
Jewelry	1,500	1,610	1,968	1,200
Luggage	2,500	2,499	~	~
Men's Clothing Store	3,500	4,319	3,065	2,750
Pet Supplies	7,995	17,600	3,201	3,200
Record/Tapes	4,464	6,178	~	2,017
Sporting Goods	8,465	22,000	4,980	2,995
Toys	7,855	12,000	~	3,344
Women's Ready to Wear	4,400	4,503	3,960	2,145
Convenience				
Drugstore/Pharmacy	10,920	10,860	16,668	4,977
Supermarket	50,420	49,071	51,495	23,300
Bakery	1,990	4,000	~	1,700
Gourmet Grocery	18,000	~	~	~
Wine/Liquor	3,440	~	6,237	2,920
Personal Services				
Day Spa	2,875	~	2,563	3,060
Women's Hair Salon	1,400	1,450	1,250	1,361
Nail Salon	1,200	~	1,200	1,200
Picture Framing	1,600	1,703	~	1,588
Health Club	10,249	9,548	5,508	10,249
Mail/Packaging/Photocopying	1,278	1,240	~	1,236
Tailor/Alteration	950	~	900	1,035
Video Rental	6,000	6,333	4,240	4,733
Shoe Repair	855	~	~	795
Drycleaners	1,800	~	1,800	1,649
Film Processing	1,252	1,600	1,304	1,150
Day Care	4,000	~	~	3,901
Laundry	2,114	~	2,150	1,955
Restaurants				
Restaurant with Liquor	5,204	6,669	5,600	3,362
Restaurant without Liquor	3,581	6,500	3,025	2,625
Bar/Cocktail Lounge	3,821	~	~	3,821
Ice Cream Parlor	1,137	1,144	1,137	1,116
Coffee/Tea	1,578	1,650	1,624	1,400
Entertainment				
Cinema	35,022	37,161	35,022	21,250

Source: Urban Land Institute, "Dollars and Cents of Shopping Centers"

Exhibit 30

SPENDING POTENTIAL INDEX OF SELECTED GOODS AND SERVICES
Retail Market Area

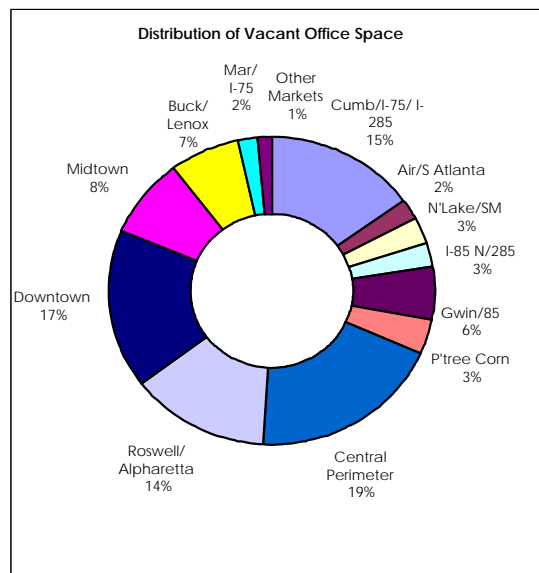
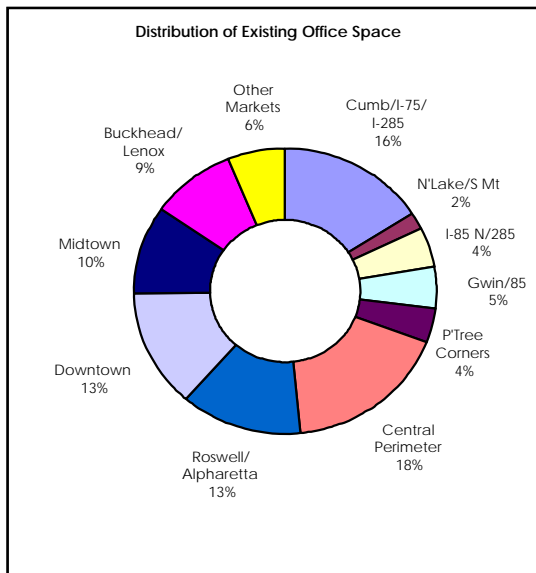
Merchandise/ Service Category	Spending Potential Index	Merchandise/ Service Category	Spending Potential Index
Apparel	76	Financial Services	
Men's	78	Investments	92
Women's	69	Auto Loans	93
Children's	86	Health	
Footwear	42	Nonprescription Drugs	98
Watches & Jewelry	100	Prescription Drugs	92
Apparel Products and Services	160	Eyeglasses and Contact Lenses	90
Computer		Home	
Computer/Hardware for Home	97	Home Improvement	
Software/Accessories for Home	98	Maintenance/Remodeling Serv	76
Entertainment & Recreation	92	Maintenance/Remodeling Supp	76
Entertainment Fees & Admissions	93	Household Furnishings	
Membership Fees	90	Household Textiles	93
Sports Participation	90	Furniture	94
Theater/Movies/Ballet/Opera	102	Floor Coverings	82
Sporting Events	97	Major Appliances	86
Recreational Lessons	86	Housewares	75
Television & Sound Equipment	101	Small Appliances	93
Cable Television	102	Luggage	94
Color Television	100	Telephone & Accessories	44
VCR/Video Camera/DVD Player	98	Child Care	100
Video Cassettes and DVDs	104	Lawn & Garden	80
Video Game Hardware/Software	105	Moving/Storage	116
Satellite Dishes	84	Housekeeping Supplies	95
Video/DVD Rental	106	Insurance	
Audio Equipment	97	Homeowners/Renters	81
Rental & Repair of TV/Sound	108	Vehicle	96
Pets & Supplies	97	Life	85
Toys & Games	96	Health	90
Recreational Vehicles & Fees	70	Personal Care Products	102
Sports/Exercise Equipment & Supplies	66	School Books & Supplies	110
Photo Equipment & Supplies	93	Smoking Products	108
Books/Magazines/Subscriptions	95	Transportation	
Food & Beverages	101	Vehicle Purchases	92
Groceries	100	Gas & Oil	95
Bakery & Cereal Products	100	Vehicle Maintenance & Repair	96
Meats, Poultry, Fish & Eggs	100	Travel	
Dairy Products	98	Air Fare	95
Fruits & Vegetables	101	Hotels/Motels	87
Other Foods at Home	100	Rental Cars	91
Meals at Restaurants	102	Food/Drink	90
Alcoholic Beverages	107		
Nonalcoholic Beverages at Home	100		

Source: ESRI BIS

Exhibit 31

SUMMARY OF SPECULATIVE OFFICE MARKET
Year-End 2005

Submarket	Existing Space		Occupied Space		Vacant Space		Vacancy Rate	Under Construct	Net Absorption	
	Sq Ft	%	Sq Ft	%	Sq Ft	%			Sq Ft	%
Cumberland/I-75/I-285	20,179,843	15.9%	16,325,648	16.1%	3,854,195	15.1%	19.1%	0	273,237	7.3%
Midtown West	823,873	0.6%	763,113	0.8%	60,760	0.2%	7.4%	0	49,720	1.3%
I-20 West	222,911	0.2%	183,779	0.2%	39,132	0.2%	17.6%	56,440	55,149	1.5%
Airport/South Atlanta	2,418,337	1.9%	1,859,435	1.8%	558,902	2.2%	23.1%	70,000	34,169	0.9%
East Atlanta	552,847	0.4%	475,107	0.5%	77,740	0.3%	14.1%	54,631	55,391	1.5%
City of Decatur	1,025,334	0.8%	894,447	0.9%	130,887	0.5%	12.8%	0	55,906	1.5%
Northlake/Stone Mountain	2,546,696	2.0%	1,882,003	1.9%	664,693	2.6%	26.1%	0	54,314	1.4%
I-85 N/Inside I-285	5,333,292	4.2%	4,690,771	4.6%	642,521	2.5%	12.0%	0	171,267	4.6%
Gwinnett/NE I-85	6,158,103	4.9%	4,699,109	4.6%	1,458,994	5.7%	23.7%	173,462	310,278	8.3%
Peachtree Corners	4,860,661	3.8%	3,985,817	3.9%	874,844	3.4%	18.0%	0	201,854	5.4%
Central Perimeter	22,321,134	17.6%	17,391,979	17.2%	4,929,155	19.3%	22.1%	0	983,920	26.2%
Roswell/Alpharetta	16,508,746	13.0%	12,974,995	12.8%	3,533,751	13.8%	21.4%	355,704	600,888	16.0%
Downtown	16,986,175	13.4%	12,743,782	12.6%	4,242,393	16.6%	25.0%	349,010	224,909	6.0%
Midtown	12,756,105	10.1%	10,627,538	10.5%	2,128,567	8.3%	16.7%	1,311,669	568,855	15.2%
Buckhead/Lenox	11,571,438	9.1%	9,787,870	9.7%	1,783,568	7.0%	15.4%	774,058	135,378	3.6%
Marietta/I-75 N	2,329,089	1.8%	1,818,634	1.8%	510,455	2.0%	21.9%	0	-40,088	-1.1%
E. Cobb/Johnson Ferry	269,005	0.2%	244,251	0.2%	24,754	0.1%	9.2%	0	15,879	0.4%
Total	126,863,589	100.0%	101,348,278	100.0%	25,515,311	100.0%	20.1%	3,144,974	3,751,026	100.0%
West Atlanta	1,046,784	0.8%	946,892	0.9%	99,892	0.4%	9.5%	56,440	104,869	2.8%

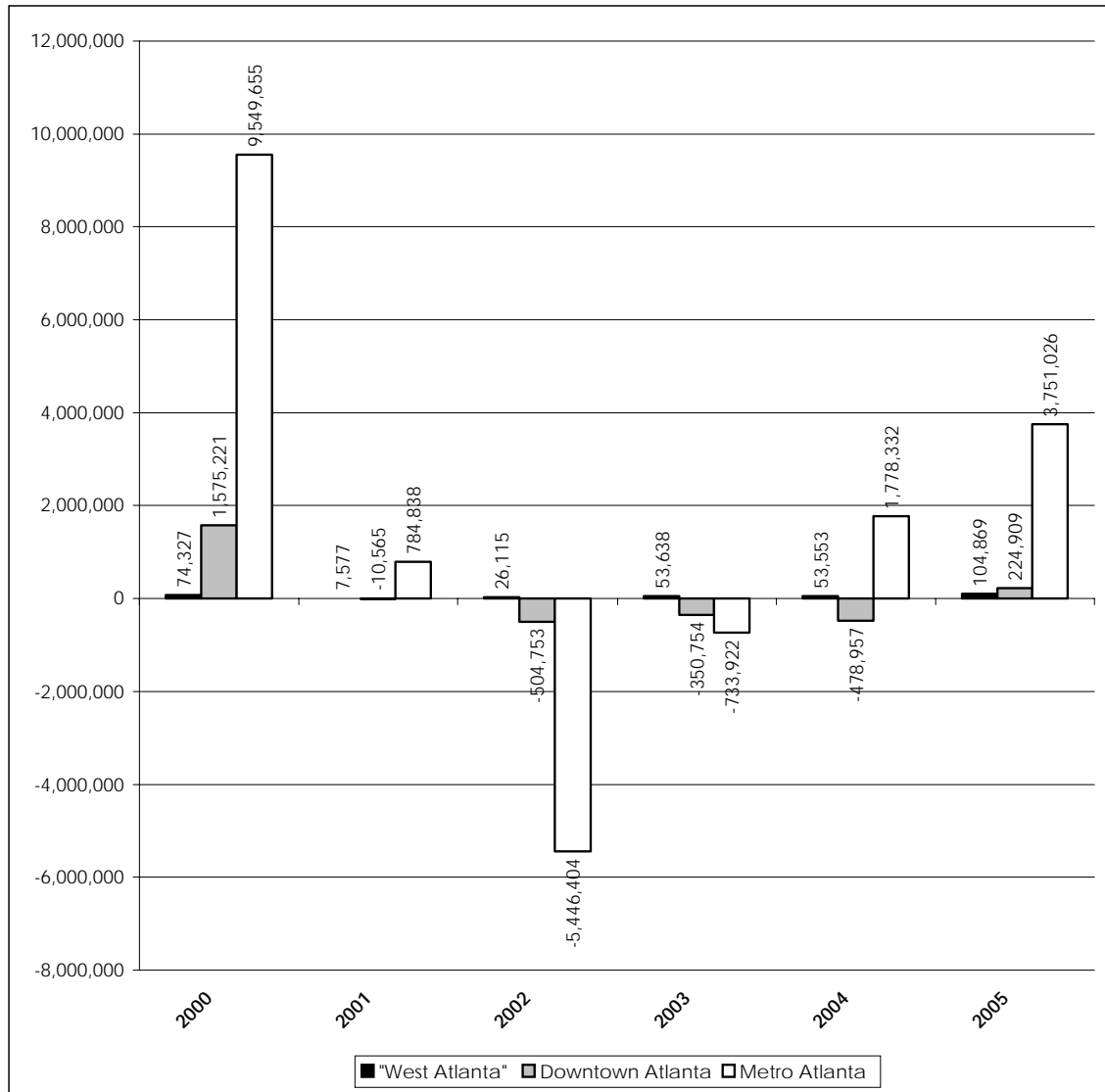


Note: "West Atlanta" submarket includes I-20 West and Midtown West submarkets. "Other Markets" category in charts includes submarkets with less than a 2% share of existing or vacant space. Includes all classes of office space.

Source: Dorey Market Analysis Group

Exhibit 32

HISTORICAL OFFICE MARKET NET ABSORPTION
West Atlanta, Downtown Atlanta and Metro Atlanta Office Markets
2000 - 2005



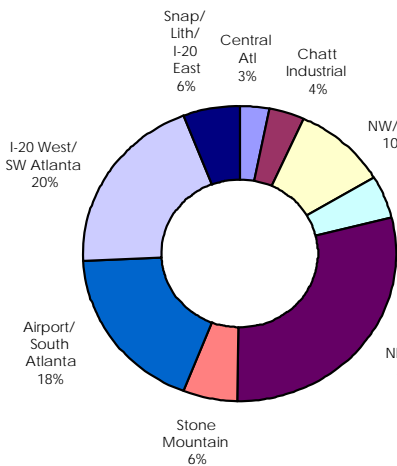
Note: West Atlanta submarket includes Dorey's Midtown West and I-20 West Submarkets. Data includes Class A, B and product.

Source: Dorey Market Analysis Group

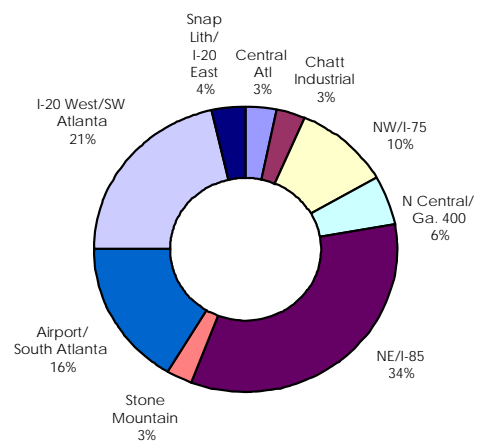
ATLANTA INDUSTRIAL MARKET SUMMARY
Year-End 2005

Submarket	Existing Space		Occupied Space		Vacant Space		Vacancy Rate	Under Construct	Net Absorption	
	Sq Ft	%	Sq Ft	%	Sq Ft	%			Sq Ft	%
Central Atlanta	13,233,700	3.0%	10,881,903	3.0%	2,351,797	3.3%	17.8%	0	240,520	2.1%
Chattahoochee Industrial	16,101,168	3.7%	13,954,949	3.8%	2,146,219	3.0%	13.3%	4,085	544,684	4.8%
Northwest/I-75 Corridor	42,397,518	9.7%	35,100,739	9.6%	7,296,779	10.3%	17.2%	168,380	1,414,766	12.4%
North Central/Ga. 400 Corridor	20,385,315	4.7%	16,457,889	4.5%	3,927,426	5.5%	19.3%	24,000	71,362	0.6%
Northeast/I-85 Corridor	127,135,889	29.1%	103,348,740	28.3%	23,787,149	33.6%	18.7%	2,948,355	3,002,528	26.4%
Stone Mountain	24,233,368	5.6%	22,092,613	6.0%	2,140,755	3.0%	8.8%	48,000	581,330	5.1%
Airport/South Atlanta	80,042,036	18.3%	68,473,733	18.7%	11,568,303	16.3%	14.5%	4,924,902	3,133,161	27.5%
I-20 West/Southwest Atlanta	87,289,805	20.0%	72,161,894	19.7%	15,127,911	21.3%	17.3%	4,006,822	3,022,889	26.5%
Snapfinger/Lithonia/I-20 East	25,575,578	5.9%	23,026,373	6.3%	2,549,205	3.6%	10.0%	0	-619,052	-5.4%
Totals	436,394,377	100.0%	365,498,833	100.0%	70,895,544	100.0%	16.2%	12,124,544	11,392,188	100.0%

Distribution of Existing Industrial Space



Distribution of Vacant Industrial Space



Note: Study Area is adjacent to Chattahoochee Industrial and the I-20 West/Southwest Atlanta submarkets. Data includes spec and owner occupied office space.

Source: Dorey Market Analysis Group